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# NATIONAL REGISTER PROGRAMS

## GUIDELINE

## NPS-49

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RELEASE NO. 1

J84
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# NATIONAL REGISTER PROGRAMS

## GUIDELINE

## NPS-49

NATIONAL PARK SERVICE
DEPARTMENT OF THE INTERIOR

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UNITED STATES DEPARTMENT OF THE INTERIOR [redacted]
NATIONAL PARK SERVICE

## GUIDELINE TRANSMITTAL SHEET

| | | |
|---|---|---|
| GUIDELINE NUMBER<br>49 | TITLE<br>National Register Programs Guideline [redacted] | RELEASE NO. |
| OFFICE OF ORIGIN<br>Preservation Assistance Division (424) | | AMENDMENT NO. |
| | | DATE<br>JANUARY 1, 1985 |

**Explanation of material transmitted:**

Transmitted herewith is Release No. 1 of the "National Register Programs Guideline."

The Guideline sets forth mandatory policies, requirements, and procedures for directing operational, administrative and fiscal aspects of the Historic Preservation Fund (HPF) Grant Program authorized by the National Historic Preservation Act of 1966, as amended. It includes Federalwide Office of Management and Budget regulations governing grants.

The HCRS Manual 6021, issued October 1, 1979, and all amendments and changes thereto are now obsolete but should be retained for reference and audit purposes.

This and all future transmittal sheets should be kept in the front of the Guideline.

Russell E Olsen

Acting Assistant Director, Personnel & Administrative Services

[redacted]

[redacted]

DOC. MAINT. st. 7/29/09

J84
I 29.9/2
R 26/2/rel.1/amdt.1

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

## GUIDELINE TRANSMITTAL SHEET

| GUIDELINE NUMBER<br>NPS-49 | TITLE<br>National Register Programs Guideline | RELEASE NO.<br>1 |
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| OFFICE OF ORIGIN<br>Preservation Assistance Division (424) | | AMENDMENT NO.<br>1 |
| | | DATE October 1, 1985 |

**Explanation of material transmitted:**

The National Register Programs Guideline, NPS-49 released January 1, 1985 is herewith amended as follows:

Page Changes

| Remove Old Pages | Insert New Pages |
|---|---|
| Chapter 6, pages 47 - 58 | Chapter 6, pages 47 - 60 |
| Chapter 7, pages 68 and 70 | Chapter 7, pages 68 and 70 |
| Chapter 16, pages 3 - 5 | Chapter 16, pages 3 and 5 |
| Chapter 17, pages 3 - 11 | Chapter 17, pages 3 - 12 & Exh. 17-A |
| Chapter 19, pages 9 - 12 and 17 | Chapter 19, pages 9 - 12 and 17 |
| Chapter 22, page 3 and<br>Chapter 23, page 1 | Chapter 22, page 3 and<br>Chapter 23, page 1 |
| Chapter 24, pages 1 - 27 | Chapter 24, pages 1 - 26 |
| Chapter 27, pages 1 - 8 | Chapter 27, pages 1 - 11 & Exh. 27-A |
| | Chapter 30 |
| Guideline Abbreviations | Guideline Abbreviations |

Please keep this and all future transmittal sheets in the front of the guideline.

[redacted]

Richard E. Powers
Assistant Director, Personnel & Administrative Services

[redacted]

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GLOSSARY

ABBREVIATIONS

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# INTRODUCTION

The National Historic Preservation Act of 1966 expanded the National Register of Historic Places and authorized a program of matching grants-in-aid to assist States and the National Trust in carrying out historic preservation activities. Under this charter, a unique Federal-State-Local-Private partnership appeared and quickly began to evolve into a far-reaching and highly effective instrument for identifying and preserving historic properties. Through a combination of administrative actions and legislation subsequent to 1966, the respective roles of the partners have become well-defined. The definitions are not yet final, however, because evolution of the program continues. In general the bulk of the hands-on preservation work on specific properties is done by the private sector. The States constitute the delivery system of the partnership making sure that historic properties are identified and evaluated with evenness and consistency within State boundaries, advising those who either want to do something with historic properties or who have reluctantly discovered that they are bound by law to take historic properties into account, and performing innumerable other services that enable the partnership to function. Local governments are now making substantial progress in aligning themselves with the States, both in order to advance their own preservation interests and to enhance the effectiveness of the State programs. The Federal Government, represented by the National Park Service, is continuing a long trend of withdrawing itself from the local operational details of the program, commensurate with the steady growth in the capability of States to handle or oversee such details. As the States assume more and more responsibility for quality control within their boundaries, the Service will redirect its attention to quality control on a nationwide scale and to those necessary activities that cannot adequately be handled alone by the other members of the partnership.

In earlier years, the Service relied heavily upon the grant program as a means of assuring quality in State programs. Performance, of a certain kind or quality, could be made a condition to be met by a State in order to receive money. Without diminishing the emphasis upon quality performance of grant-supported activities, the locus of quality control has shifted in large measure to the State Program Approval process established under Section 101 of the National Historic Preservation Act, as amended in 1980. The use of Secretary of the Interior's Standards and Guidelines (supported and explained by a coordinated series of Technical Leaflets) pioneered in the grant program and tested extensively in the Tax Incentives program, has become the centerpiece of the Federal quality control apparatus.

None of this suggests that grant administration has become less important. In recent years, Congress has been explicit about what it expects to have accomplished with money appropriated for grants. The Administration has required needed improvements throughout the Government concerning internal control mechanisms to prevent fraud, waste, and misuse. The National Conference of State Historic Preservation Officers has worked energetically with the Service to devise an apportionment process that is based upon documentable performance. As a result of these facts, this Manual has become more important than ever as a definition of the relationship the National Park Service will maintain with States, local governments, the National Trust, and others.

It has been our effort to define that relationship as clearly as possible. We have endeavored to limit the number of special requirements, reports, and Federal approvals to the absolute minimum required by statute, by higher authority, and by responsible program administration. Where such requirements, reports, and approvals are mandatory, we have sought to make them as simple and easy as possible.

This Manual sets forth administrative policies, procedures, requirements, and guidelines for Historic Preservation Fund grants-in-aid awarded by the Department of the Interior, National Park Service. In keeping with the Directives Management System of the National Park Service, the Manual is entitled "National Register Programs Guideline." It is binding on all HPF grantees.

Requirements imposed by legislation or Governmentwide regulations promulgated in the Code of Federal Regulations, such as the OMB or Treasury Circulars, cannot be waived by the National Park Service. In the event that the requirements of this Manual conflict with Federal laws, regulations, and policies, the following order of precedence will prevail:

1. Federal law.
2. Governmentwide Administrative Regulations.
3. Applicable Department of the Interior regulations.
4. National Register Programs Guideline.

Although grantees are encouraged to seek advice and opinions of the National Park Service on administrative problems, only written determination by the authorized National Park Service Grant Awarding Official (or designee) shall be considered binding. The giving of any informal advice does not shift the accountability for final decisions to the National Park Service.

Changes in Federalwide laws, regulations, or policy requirements that affect Historic Preservation Fund grant awards or grant-assisted activities shall become effective upon the date specified in the implementation notice. The National Park Service shall provide notice of these changes through revisions to this Manual as soon as practicable, ordinarily within 90 days.

Unless otherwise prescribed by law, the Office of Management and Budget, the Department of the Interior, or other authorized issuing authority, future amendments to the Manual shall apply to grants awarded as of the start of the first Federal fiscal year beginning after the revision is issued. If immediate implementation is required, a date will be specified. Revisions to this Manual will be made by replacing entire pages of the Manual. The revised pages will be dated, numbered, and mailed to all grantees. The transmittal document will be numbered (change No. 1, No. 2, etc.). Revised pages will identify the number of the issuance revising the page(s) and the effective date of the revision. If more than a single page insertion is necessary to revise a Chapter, pages will be numbered with combinations of numerals and letters, e.g., page 23A, 23B, 24, 25, 26, etc.

This Manual supersedes the Historic Preservation Fund Grants Management Manual and subsequent letter revisions, and is effective October 1, 1984.

Russell E. Dickenson

Director
National Park Service

## PROGRAM STRUCTURE

A. Purpose. This Chapter describes the framework for the operation of the Historic Preservation Fund (HPF) grants-in-aid program authorized by the National Historic Preservation Act, as amended.

B. Program Elements. As stated in the Act, the Secretary of the Interior is authorized:

1. To expand and maintain a National Register of Historic Places composed of districts, sites, buildings, structures, and objects significant in American history, architecture, archeology, engineering, and culture.

2. In consultation with the National Conference of State Historic Preservation Officers and the National Trust for Historic Preservation, to promulgate or revise regulations for State Historic Preservation Programs. Such regulations shall provide that a State program submitted to the Secretary under this section shall be approved by the Secretary if he determines that the program:

    a. provides for the designation and appointment by the Governor of a "State Historic Preservation Officer" to administer such program in accordance with Section 101(b)(3) of the Act (see Section C below) and for the employment or appointment by such officer of such professionally qualified staff as may be necessary for such purposes;

    b. provides for an adequate and qualified State historic preservation review board designated by the State Historic Preservation Officer unless otherwise provided for by State law; and

    c. provides for adequate public participation in the State Historic Preservation Program, including the process of recommending properties for nomination to the National Register.

3. To administer a program of matching grants-in-aid to the States for historic preservation projects, and State historic preservation programs, approved by the Secretary and having as their purpose the identification of historic properties and the preservation of properties included on the National Register.

4. To administer a program of matching grants-in-aid to the National Trust for Historic Preservation in the United States, chartered by Act of Congress approved October 26, 1949, P.L. 81-408 (63 Stat. 947), for the purposes of carrying out the responsibilities of the National Trust.

5. To administer a program of direct grants for the preservation of properties included on the National Register. Funds to support such program annually shall not exceed 10 per centum of the amount

appropriated annually for the HPF. These grants may be made by the Secretary, in consultation with the appropriate State Historic Preservation Officer:

a. for the preservation of National Historic Landmarks which are threatened with demolition or impairment and for the preservation of historic properties of World Heritage significance;

b. for demonstration projects which will provide information concerning professional methods and techniques having application to historic properties;

c. for the training and development of skilled labor in trades and crafts, and in analysis and curation, relating to historic preservation; and

d. to assist persons or small businesses within any historic district included in the National Register to remain within the district.

6. In consultation with the appropriate State Historic Preservation Officer, to make grants or loans or both under Section 101(b)(3) to Indian tribes and to nonprofit organizations representing ethnic or minority groups for the preservation of their cultural heritage.

C. Eligible Activities.

1. Section 101(b)(3) specifies that the State Historic Preservation Officer shall administer the program authorized by the Act and:

a. in cooperation with Federal and State agencies, local governments, and private organizations and individuals, direct and conduct a comprehensive statewide survey of historic properties and maintain inventories of such properties;

b. identify and nominate eligible properties to the National Register and otherwise administer applications for listing historic properties on the National Register;

c. prepare and implement a comprehensive statewide historic preservation plan;

d. administer the State program of Federal assistance for historic preservation within the State;

e. advise and assist, as appropriate, Federal and State agencies and local governments in carrying out their historic preservation responsibilities;

f. cooperate with the Secretary, the Advisory Council on Historic Preservation, and other Federal and State agencies, local governments, and organizations and individuals to ensure that historic properties are taken into consideration at all levels of planning and development;

g. provide public information, education and training, and technical assistance relating to the Federal and State Historic Preservation Programs; and

h. cooperate with local governments in the development of local historic preservation programs and assist local governments in becoming certified pursuant to subsection (c).

2. States shall provide for certification of local governments in accordance with an NPS-approved State process. A certified local government may compete for a minimum of 10 percent of the annual apportionment distributed by the Secretary to each State. The distribution shall be considered a subgrant, subject to administrative requirements of this Manual. A local government shall be eligible for participation when the applicable State Historic Preservation Officer and NPS certifies that the local government:

   a. enforces appropriate State or local legislation for the designation and protection of historic properties;

   b. has established an adequate and qualified historic preservation review commission by State or local legislation;

   c. maintains a system for the survey and inventory of historic properties that furthers the purposes of the State Historic Preservation Program;

   d. provides for adequate public participation in the local historic preservation program, including the process of recommending properties for nomination to the National Register; and

   e. satisfactorily performs the responsibilities delegated to it.

   Where there is no approved State program, a local government may be certified by the Secretary if he determines that such local government meets the requirements of subparagraphs (a) through (e); and in any such case the Secretary may make grants-in-aid to the local government for purposes of carrying out a historic preservation program.

3. HPF grant assistance may be used by States to assist NPS in its review of applications for historic preservation tax incentives under 36 CFR 67. These regulations address the Secretary's responsibilities under the Economic Recovery Tax Act of 1981 and related tax legislation.

4. HPF grant assistance may be used for costs of acquisition of properties listed in the National Register of Historic Places.

5. Grant assistance may be used for costs of development of properties already listed in the National Register, and necessary related pre-construction costs such as pre-construction research, preparation of plans and specifications, and related activities detailed in Chapter 6. Properties included in a National Register-listed historic district must contribute to the significance of the district in order to be eligible for such HPF assistance.

6. Grants to the National Trust assist the purposes of that congressionally chartered nonprofit organization for 1) administration; 2) general program operations (see Chapter 6, Section G).

7. Pursuant to Section 502 of the Act and the Interagency Agreement of May 11, 1984, between the National Park Service and the Library of Congress, identification, evaluation, and documentation of intangible cultural resources embodied in traditional skills and folkways are eligible HPF activities so long as the goals for intangible resources are defined in the State's Comprehensive Historic Preservation Plan and otherwise meet all requirements of this Manual.

Federally owned property is not eligible for HPF grant assistance. Similarly, annual appropriations act language may further expand or limit eligibility.

D. Eligible Applicants. Eligible appplicants are: 1) States, including Territories, as defined in the Act, operating NPS-approved programs administered by a State Historic Preservation Officer appointed by the Governor or chief Executive Officer; 2) the National Trust for Historic Preservation; 3) Certified Local Governments where there is no approved State program. Nonfederal government units, private organizations, corporations and individuals may apply for financial assistance as subgrantees of the States and/or the National Trust under procedures established by these grantees. A State may carry out all or any part of its responsibilities under Section C. above by contract or cooperative agreement with any qualified nonprofit organization or educational institution. States and the National Trust, as grantees, establish their own selection criteria for such subgrants in accordance with applicable laws and National Park Service requirements. Each State must have an approved Review Board and professional staff (see Chapter 3). Eligible program costs are determined in accordance with Chapters 12, 13, and 14 of this Manual (and also OMB Circular A-110 for the National Trust for Historic Preservation). General Conditions applicable to all grant awards are summarized in Chapter 5.

Procedures for direct grants for threatened National Historic Landmarks, demonstration projects, and other purposes authorized by Section 101(d)(3) have not been promulgated.

E. Apportionment of Funds.

1. The Secretary of the Interior apportions obligational authority to eligible States and the National Trust for Historic Preservation after the enactment of the fiscal year appropriation. (See Chapter 2.)

2. The Secretary shall notify each State of its apportionment within 30 days following the date of enactment of legislation appropriating funds under the Act.

3. The Federal funds awarded must be matched by amounts of cash or integral and necessary in-kind contributions. The matching contributions required are 30 to 50 percent of the total award for survey and inventory activity; 50 percent for all other program purposes. (See Chapters 6 and 7.)

4. The annual apportionment award to a grantee is reduced by the amount of unobligated or unexpended funds. Procedures for the adjustment of obligational authority are detailed in Chapter 3.

F. Duration of Awards. Awards of assistance shall be made for 12-month budget periods, subject to the terms of availability as may be established in Appropriations Acts, the Secretary of the Interior's Apportionment Certificate, and/or further prescribed by terms and conditions of grant awards. (See Chapter 3, section E.)

Applications for assistance to continue a project or subgrant subsequent to the initial fiscal year of assistance require submission of an acceptable Continuation Grant application, subject to terms and conditions governing Continuation Grant awards.

G. Method of Payment.

1. Advance payments. Advance payments will be made by letter of credit when conditions listed in Chapter 24 are met.

2. Reimbursement. Grantees that do not meet the required conditions will receive grant payments by U.S. Treasury checks on a reimbursement basis.

H. General Terms and Conditions.

1. Cost principles. Grant funds shall be used only for allowable costs of the activities for which the grant was awarded. The cost principles applicable to the grantee may not be those applicable to a subgrantee. Each set of cost principles identifies certain costs that, in order to be allowable, must be approved by NPS as the responsible grantor agency. (See Chapters 12 and 13.)

2. Administrative requirements. HPF assistance awarded to States must be administered under the provisions of Office of Management and Budget Circular A-102, "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments." These administrative requirements are incorporated throughout this Manual. Grants awarded to the National Trust for Historic Preservaton must be administered under the provisions of Office of Management and Budget Circular A-110, "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations." The provisions of these Circulars shall apply except when enabling legislation prescribes requirements that differ from the standards prescribed in Circulars A-102 or A-110. For reference, a Summary Comparison of OMB Standards for the Administration of Grant Programs (OMB Circulars A-102 and A-110) follows this Chapter as Exhibit 1-A.

3. Grantees and Subgrantees. **Throughout this Manual the term "grantee" always refers to State Historic Preservation Offices and the National Trust for Historic Preservation. The term "nonprofit organization" refers to the National Trust, but not to the State Historic Preservation Offices.**

   Except where they are specifically excluded, the provisions of the applicable Circular shall be applied to subgrantees. For purposes of HPF grants, the status of a "certified local government" as defined in Section 101(c)(1) of the Act shall be that of a subgrantee. The subgrantee is the entire legal entity even if a particular component of the entity is designated in the subgrant award document.

4. Direct grants. The recipient of any direct grant authorized by Section 101(d)(3) shall be governed by the appropriate Circulars covering cost principles and administrative requirements.

I. Audit. The Secretary, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to all books, accounts, records, reports, files, and other papers of grantees or their subgrantees and contractors pertaining to grant funds. Each State or direct grantee will execute audits of grant expenditure records in accordance with the single audit requirements of OMB Circular A-102, Attachment P, and Chapter 27 of this Manual. Noncompliance with any of the administrative procedures of Attachment P may result in withholding of payments or other appropriate sanctions. Similar audit provisions as expressed in OMB Circular A-110 apply to the National Trust.

   Additionally, in accordance with Section 101(b)(2) of the Act, the Secretary may conduct such periodic program audits as may be deemed necessary or appropriate. (See Chapter 30.)

EXHIBIT 1-A

## SUMMARY OF OMB STANDARDS FOR THE ADMINISTRATION OF GRANT PROGRAMS
(OMB Circulars A-102 and A-110)

| Subject | A-102 | A-110 |
|---|---|---|
| Applicability | State Governments, Local Governments, Indian Tribal Governments | Institutions of Higher Education,<br>Hospitals,<br>Other Nonprofit Organizations |
| Cash Depositories | There is no requirement for separate depositories nor an eligibility requirement for depositories except:<br>- Separate bank account for checks cashed letters of credit.<br>- Advances subject to control or regulation of the U.S. must be deposited in accounts insured by FDIC or collaterally secured.<br>- Deposits in minority banks encouraged. | Same |
| Bonding and Insurance | The following requirements are imposed (no others may be imposed other than those normally required for a grantee):<br>- For subcontracts for construction of facility improvements of $100,000 or less, the Federal agency must accept the grantee's own requirements for bid guarantees, performance bonds, and payment bonds.<br>- For subcontracts for construction of facility improvements over $100,000, Federal agency may accept grantee's requirements or impose the following:<br>o A 5% bid guarantee from each bidder.<br>o A 100% performance bond on contract price.<br>o A payment bond for 100% of contract price.<br>- Additional bonding and insurance adequate to protect grantor guarantees on grantee borrowing.<br>- Bonding companies must have certificates of authority. | Same, plus grantor may require fidelity bond coverage. |
| Retention and Custody of Records | Only the following requirements pertain:<br>- Three year retention plus retention for litigation, claims, and audits.<br>- Microfilm may be substituted.<br>- Access by GAO and grantor agency.<br>- Public access permitted except under Freedom of Information Act restrictions. | Same |

| Subject | A-102 | A-110 |
|---|---|---|
| Waiver of Single State Agency Requirements | Requests are to be handled expeditiously, with prior advice to OMB of refusals and affirmative response wherever possible. | Not Applicable |
| Program Income | Interest earned on advances is remitted to grantor except for interest earned by States, instrumentalities of the State, or Indian tribes.<br>Proceeds of the sale of real and personal property shall be handled according to Attachment N pertaining to property management.<br>There is no obligation with respect to royalties unless the grant provides otherwise.<br>Other program income is to be added to project and used for eligible program objectives, used to finance non-Federal share of the project, or deducted from the total project costs. | Same |
| Cost Sharing and Matching | The cost sharing or matching share may consist of:<br>- Charges incurred by the grantee as project costs including in kind contributions and accrued cost, such as depreciation.<br>- Project costs financed with cash contributed by non-Federal agencies and institutions and private organizations or individuals.<br>Cash and in-kind contributions must be:<br>- Verifiable in the grantee's records.<br>- Not included as share for another Federally assisted program.<br>- Necessary and reasonable.<br>- Type allowable under cost principles.<br>- Not paid by the Federal Government under another agreement unless authorized by law and regulation.<br>- Provided for in the approved budget when required by grantor.<br>The value of in-kind contributions is to be established as follows:<br>- Volunteer services must be a necessary and integral part of the approved program.<br>- Rates should be consistent with those paid for similar work.<br>- Rates for volunteers paid by other employers should not include fringe benefits or overhead costs. | Same |

EXHIBIT 1-A

| Subject | A-102 | A-110 |
|---|---|---|
| | - Expendable personal property should be valued at fair market value at time of donation.<br>- Non-expendable personal property, land, and buildings should be valued at fair market value if the purpose of the grant is to furnish equipment, land or facilities.<br>- Appropriate depreciation or use charges should be made if the purpose of the grant is to provide services that require the use of such facilities.<br>- Loaned equipment and facilities should be valued at fair rental value. | |
| Standards for Grantee Financial Management Systems | The system must provide for:<br>- Accurate, current, and complete disclosure of the financial results of each project. (If the Federal grantor requires reporting on an accrual basis, reports may be constructed from documentation on hand; accrual accounting is not required.)<br>- Records that adequately identify the source and application of funds for grant supported activities.<br>- Effective control over, and accountability for, funds, property, and other assets.<br>- Comparison of actual outlays with budgeted amounts for each grant and relation of financial information to performance data. Appropriate unit cost data if required by the grantor.<br>- Procedures to minimize Federal cash on hand.<br>- Procedures to determine allowability and allocability of costs.<br>- Accounting records supported by source documentation.<br>- Audits by qualified independent individuals to ascertain the effectiveness of the financial management systems and and to insure that the internal procedures meet the terms and conditions of the grant. Follow GAO standards. Conduct audits at least every two years.<br>- Timely resolution of audit findings and recommendations.<br>- Similar requirements for subgrantees. | Same |
| Financial Reporting Requirements | Establishes uniform reporting procedures to summarize expenditures, Federal funds expended, status of Federal, cash advanced, and reimbursements.<br>Provides standard forms.<br>Provides standard definitions for accrued expenditures, accrued income, Federal funds authorized, in-kind contributions, obligations, outlays, program income, unobligated balances, and unliquidated obligations. | Same |

EXHIBIT 1-A

| Subject | A-102 | A-110 |
|---|---|---|
|  | Establishes Financial Status Report (Standard Form 269), Report of Federal Cash Transactions (Standard Forms 272 and 272A), Request for Advance and Reimbursement (Standard Form 270), Outlay Report and Request for Reimbursement for Construction Programs (Standard Form 271). |  |
| Monitoring and Reporting Program Performance | Establishes procedures for monitoring and reporting designed to place greater reliance on grantees to manage day to day operations.<br>Grantee is required to monitor schedules and progress for each activity in grant award (or application) to assure that schedules are being met.<br>Grantees must report for each activity:<br>- Comparison of actual performance to goals (quantified if possible)<br>- Reasons why established goals were not met<br>- Other pertinent information such as explanation of cost overruns or high unit cost.<br>Performance and technical reports are to be submitted at the same time as financial reports and covering the same periods.<br>Special reports are required for events with significant impact on the project or program. If the performance review requires a budget revision, the grantee should submit a request.<br>Grantor should make site visits to review program performance and managerial controls and to provide technical assistance.<br>Federal agencies are required to submit proposed technical and performance reports to OMB for approval under OMB Circular A-40. | Same |
| Payment Requirements | Establishes the method of making payments to minimize time lapse between disbursement by the grantee and transfer of funds from the U.S. Treasury.<br>Provides for letter of credit for non-construction grants where:<br>- Duration is 12 months or more and amount is $120,000 or more.<br>- Grantee is able and willing to establish procedures to minimize elapsed time.<br>- Grantee's financial management system meets standards. | Same except the minimum amount for letter of credit is $250,000 (120,000 for joint funded projects). |

EXHIBIT 1-A

| Subject | A-102 | A-110 |
|---|---|---|
| | Provides for advances by Treasury checks where grantee meets above requirements except for duration and/or amount. | |
| | Provides for reimbursement by Treasury checks within 30 days of billing (except when billing is improper) where the grantee does not meet the above requirements, or where major financing of the program is accomplished through private market financing or Federal loans. | |
| | Provides that the method of payment for construction grants is optional. | |
| | Requires a consolidated letter of credit if possible and encourages pooling of payments by Treasury checks for all payments to a grantee from a Federal agency. | |
| | Prohibits withholding payments for proper charges except where the grantee has failed to comply with program objectives, grant award conditions, or reporting requirements, or where the grantee is indebted to the U.S. and collection will not impair the objectives of any Federal grant program. | |
| Budget Revision Procedures | Sets forth criteria and procedures for requiring grantees to report deviations from grant budgets and to request approval for budget revisions. | Same |
| | Requires prior approval for nonconstruction projects for:<br>- Changes in scope or objective<br>- Need for additional Federal funding<br>- Transfers from indirect to direct cost (if required by grantor agency)<br>- Additional items requiring approval under FMC 74-4<br>- Transfer of training funds for other uses. | Same, except FMC 73-8 is applied in in lieu of FMC-74-4, and transfer of funds budgeted for direct costs to cover indirect costs may also be restricted by the grantor agency. |

| Subject | A-102 | A-110 |
|---|---|---|
| | For nonconstruction projects, the grantor agency may also restrict transfer among direct cost categories in awards with a Federal share of more than $100,000 when cumulative amounts will exceed 5% of budget. The same applies to transfers between programs and activities. | Same except this restriction is not specifically limited to nonconstruction projects. |
| | | Provides that none of the substantive programmatic work may be subcontracted or transferred without prior approval. |
| | Provides that all other changes to nonconstruction grant budgets except for joint construction-nonconstruction grants do not require prior approval. Grantees may add grantee funds to further program objectives and transfer funds budgeted for direct costs to cover authorized increases in indirect costs. | Same, except for transfer from direct cost to indirect cost. |
| | Provides that for construction grants, grantees shall request prior approval for:<br>- Changes in scope or objective of the project or program.<br>- Increases in amounts needed to complete the project. | Same |
| | Provides that for joint construction-nonconstruction grants, grantor may require prior approval for transfers between the two types of work. | Same |
| | Provides that for all grants the grantee shall notify the grantor whenever the Federal funds authorized are expected to exceed needs of the grantee by more than $5,000 or 5% of the Federal grant, whichever is greater. | Same |
| | Requires action on budget revision requests within 30 days or notice of when action can be expected. | Same |
| Closeout, Suspension and Termination Procedures | Prescribes uniform grant closeout procedures for grantees. | Same |
| | Requires Federal grantor agencies to prescribe procedures including: | |

| Subject | A-102 | A-110 |
|---|---|---|
| | - Upon request, prompt payment for allowable reimbursable costs.<br>- Immediate refund of any unobligated cash which is not authorized to be retained.<br>- Financial and performance reports within 90 days after project completion unless an extension is requested.<br>- Settlement for any authorized adjustment in grant award.<br>- Accounting for any property acquired with grant funds or received from the Government.<br>- Retaining the right to recover appropriate amounts persuant to final audit.<br><br>Requires grantor agencies to establish procedures to be followed whenever a grantee has failed to comply with grant award stipulations. When this occurs, upon reasonable notice, grantor may suspend the grant, withhold further payments, and prohibit further obligations pending correction of deficiencies or a decision to terminate. Grantor shall allow necessary and proper costs under applicable cost principles that could not reasonably be avoided during the period of suspension.<br><br>Requires grantor agencies to provide for systematic settlement of terminated grants including:<br>- Termination for cause in whole or in part when grantee has failed to comply with the conditions of the grant. Notice in writing of termination and reasons therefore and effective date. Payments and recoveries in accordance with legal rights and liabilities of the parties.<br>- Termination for convenience in whole or in part when both parties agree that continuation of the project would not produce results commensurate with cost. Both parties must agree on terms. Full credit must be allowed for non-cancellable obligations properly incurred prior to termination. | |
| Standard Forms for Applying for Federal Assistance | Prescribes standard forms for application for project grants including:<br>- Preapplication for Federal Assistance.<br>- Notice of Review Action<br>- Federal Assistance Application for Construction Programs.<br>- Application for Federal Assistance - short form | Prescribes the same standard form for applications for all programs covered by OMB Circular A-95 and encourages use in |

EXHIBIT 1-A

| Subject | A-102 | A-110 |
|---|---|---|
| | Requires use of forms for original applications, changes, continuations and supplements. | Joint projects with state and local governments. |
| | Allows Federal agencies to specify the program functions or activities to be used to plan, budget, and evaluate the work under grant programs. | |
| | Requires Federal agencies to clear with OMB any requirements under law for additional information. | |
| | Prohibits adding additional assurances unless specifically required by law. | |
| | Controls number of copies of applications and alterations of forms. | |
| Property Management Standards | Prescribes uniform standards governing the utilization and disposition of property furnished by the Federal Government or acquired in whole or in part with Federal funds or whose cost was charged in whole or in part to a project supported by a Federal grant. | Same |
| | Requires that Federal agencies prescribe requirements for use and disposition of real property which, unless otherwise required by statute, will include:<br>- Title to vest in grantee but to be used for the purpose of the grant as long as needed.<br>- Approval of the grantor required for use of real property for other projects (limited to projects with Federal support or similar purposes).<br>- When no longer needed, grantee requests dispostion. (Grantee may be permitted to retain the property and reimburse the grantor for Federal share of fair market value, or grantee may be directed to sell the property and pay the Federal share of proceeds after deducting selling and fix-up expenses, or the grantee may be required to transfer title to the Federal Government and be compensated for its share of fair market value). | |

EXHIBIT 1-A

| Subject | A-102 | A-110 |
|---|---|---|
| | Provides that title to federally owned nonexpendable personal property remains vested in the Federal government. Requires annual inventory listing submitted to Federal agency. Requires reporting property for disposition when no longer needed or at end of agreement. If Federal agency has no need for the property, it reports the property to the General Services Administration which issues disposition instructions. | |
| | Provides that, when statutory authority exists, title to non-expendable personal property acquired with project funds shall be vested in the recipient unless it would not further the objectives of the Federal sponsoring agency. When title is vested in the recipient, only obligation to the Federal government relates to the right of transfer of title (exempt property). | |
| | Provides that where such statutory authority does not exist for the above transfer (non-exempt property), title shall not be taken by the Federal Government but vested in the grantee subject to the following conditions:<br>- For items with acquisition cost of $1,000 or more, the Federal agency may reserve the right to transfer title to the Federal Government or an eligible third party subject to the following standards:<br>o Property identified in writing.<br>o Disposition instructions within 120 days of end of Federal support.<br>o Treated like Federally owned nonexpendable personal property when grantor exercises this right.<br>o grantee compensated for its share of fair market value of property recovered. | |
| | Provides restrictions for use of nonexempt tangible non expendable personal property for which the grantee has title as follows:<br>- Grantee to use property in project or program as long as needed.<br>- When no longer needed, grantee may use in connection with other Federally sponsored activities--first those of grantor agency, then those of other Federal agencies. | |

| Subject | A-102 | A-110 |
|---|---|---|
|  | - May be made available for use in other projects if use will not interfere with work of the project under which acquired, Federally sponsored projects receiving priority and use charges made if appropriate. |  |
|  | Provides restrictions on disposition of nonexempt nonexpendable property no longer needed by the grantee for purposes of the grant. The property may be used for other activities in accordance with the following standards:<br>- for property with unit acquistion cost of less than $1,000, the grantee may use it on other projects or sell it and keep the proceeds.<br>- for property with unit acquistion cost of $1,000 or more, grantee may retain the property but must compensate the grantor agency for the Federal share of fair market value. If property is needed and has further use value, the grantee requests disposition instructions. If Federal agency does not need the property, it checks with General Services Administration for other possible uses and then issues disposition instructions within 120 days. Grantee may deduct an allowance for selling costs from the Federal share of sales proceeds or will be reimbursed for its share of fair market value and shipping costs. |  |
|  | Prescribes property management standards for identification, source documentation, and accounting for cost and funding shares, location, use, and condition, and disposition of nonexpendable personal property. Also requires marking of Federal property; physical inventory of all property at least once every two years; a control system to safeguard against loss, damage and theft; adequate maintenance procedures; and proper sales procedures. |  |
|  | Provides that title to expendable personal property shall vest in the grantee. If there is a residual inventory exceeding $1000 in fair market value at the end of the grant, the grantee shall retain or sell it and compensate the grantor agency. |  |
|  | Provides for reporting patentable items, patent rights, processes or inventions produced under the grant. In the absence of prior agreement the Federal agency determines appropriate action to protect the public interest consistent with government patent policy. |  |

EXHIBIT 1-A

| **Subject** | **A-102** | **A-110** |
|---|---|---|
| | Provides that, except as otherwise provided in the terms and conditions of the grant, the grantee is free to copyright any book, publication, etc., developed under the grant, but the Federal agency shall reserve the right to royalty free nonexclusive use of the material. | |
| Procurement Standards | Prescribes standards for establishing procedures for procurement of supplies, equipment, construction, and other services with Federal funds. No additional standards may be imposed unless required by law or executive orders, or authorized by the Administrator for Federal Procurement Policy. Standards do not relieve grantee of full responsibility for its procurements. | Same, except no authorization by Administrator for Federal Procurement Policy is recognized as a basis for exception. |
| | Provides that recipients shall use their own procedures which reflect applicable State and local laws and regulations, provided that procurements for Federal Assistance programs conform to standards set forth below and applicable Federal law. | Provides that recipients may use their own procedures but must adhere to the procurement standards listed below. |
| | Requires Federal grantor agency assistance to recipients in improving their procurements through technical assistance, training, publications, and other aid. | Not applicable |
| | Encourages Federal agencies to perform reviews of recipient's procurement systems to determine whether (1) the system meets standards set forth below or other criteria acceptable to the Office of Federal Procurement Policy (OFPP) such as provisions of the Model Procurement Code for State and Local Governments and (2) whether the grantee's procurement system should be certified by the reviewing agency. This review provides opportunities for technical assistance and for deciding whether contracts and related procurement documents should be subject to the grantor agency's prior review. Copies of reports of review go to the grantee and OFPP and are to be relied on by the agencies for 2 years. If the grantee is certified, pre-award review and approval of contracts is waived. | Not applicable |
| | Provides that grantor agencies may establish protest procedures to handle complaints and protests regarding grantee contractor selection actions. No protest is to be heard by grantor until administrative remedies | Not applicable |

EXHIBIT 1-A

| Subject | A-102 | A-110 |
|---|---|---|
| | at the grantee level are exhausted. Review is to be limited to violations of Federal law or regulation and violations of the grantee's protest procedures or failure to review a complaint or protest. | |
| | Provides for grantor agency pre-award review of proposed contracts and related procurement documents for procurements in excess of $10,000 without competition or where only one bid or offer is received and for procurements in excess of $10,000 which specify a "brand name" product or for procurements during a time when the grantee's procedures or operations fail to comply with one or more of the standards set forth below. | Federal agency may require prior approval of sole-source contracts over $5,000. |
| | Prescribes the following procurement standards: | Same |
| | - Maintain a code of conduct of officers, employees, or agents engaged in awarding or administering contracts using Federal Funds. No conflicts of interest or gratuities. | |
| | - Avoid purchasing unnecessary or duplicate items. | Same |
| | - Economize by consolidation or breaking out of purchases and by intergovernmental agreements. | Not applicable |
| | - Affirmative steps to assure that small and minority businesses and women's enterprises are utilized when possible as sources for equipment, construction, and services. | Same except no mention of women's businesses. |
| | - Encouragement of procurement of goods and services from labor surplus areas. | Not applicable |
| | - Maximum open and free competition consistent with these standards. | Same |
| | - Written selection procedures providing for:<br>o Solicitations containing clear and accurate description of technical requirements which do not contain features which unduly restrict competition and which set forth all requirements that offerors must fulfill.<br>o Awards only to responsible contractors with potential to perform successfully. | Same |
| | - Procurement by one of the following methods:<br>o Small purchase procedure for contracts under $10,000 with price or rate quotations from an adequate number of qualified sources.<br>o Competitive sealed bids with formal advertising, public solicitation, and firm fixed-price contract awarded to responsive and responsible bidder with the lowest price. | Not applicable |

EXHIBIT 1-A

| Subject | A-102 | A-110 |
|---|---|---|
| | o Competitive negotiation with proposals requested from a number of sources, request for proposals publicized, negotiations usually conducted with more than one source, and award made to responsible offeror whose proposal will be most advantageous to procuring party, price and other factors considered. | |
| | o Noncompetitive negotiation through solicitation from only one source or when response to solicitation is inadequate and when item is available from only one source, public exigency or emergency prohibits delay, grantor agency authorizes it, or competition on solicitation is determined to be inadequate. | |
| | o Additional innovative procurement methods approved by the grantor agency. | |
| | - No cost-plus-a-percentage-of-cost type contracts. | Same |
| | - Cost or price analysis for each procurement. | Same |
| | - Records sufficient to detail the history of the procurement. | Not specified |
| | - The following contract provisions in each contract: | |
| | o Administrative, contractual or legal remedies for contract violations or breach of contract (except in small purchases). | Same |
| | o Conditions for termination, termination for default, and termination for conditions beyond the control of the contractor (contracts in excess of $10,000). | Same |
| | o Equal opportunity compliance (Contracts and subcontracts in excess of $10,000). | Same |
| | o "Anti-Kickbacks" Act compliance (all construction contracts and subgrants). | Same |
| | o Davis-Bacon Act Compliance (contracts in excess of $2,000 when required by substantive program legislation). | Same |
| | o Contract Work Hours and Safety Standards Act compliance (all contracts in excess of $2,000 (construction) and $2,500 non-construction.) | Same |
| | o Grantor agency requirements and regulations on patent rights (contracts involving research and development, experimental, or demonstration work). | Same |
| | o Access by GAO and grantor agency to records for audit, examination, excerpts, or transcripts (all negotiated contracts except small purchases). | Same |
| | o Clean Air Standards Act and Water Pollution Control Act compliance (all contracts, subcontracts, and subgrants over $100,000). | Same |

| Subject | A-102 | A-110 |
|---|---|---|
| | o Energy Policy and Conservation Act compliance (appropriate contracts). | Not specified |
| | - Maintain a contract administration system ensuring performance according to contract terms, conditions, and specifications. | Not specified |
| | | - In all construction contracts over $100,000 bonding requirements apply. |
| Audit Requirements | Provides for independent audits of financial operations including compliance with certain provisions of Federal law and regulation.<br>Requires audit on an organization-wide basis rather than on a grant-by-grant basis to determine whether:<br>- Financial operations are conducted properly<br>- Financial statements are presented fairly<br>- The organization has complied with laws and regulations affecting the expenditure of funds<br>- Internal procedures have been established to meet the requirements of Federally assisted programs<br>- Financial reports to the Federal Government contain accurate information<br>Except where required by law, no additional requirements for audit will be enforced unless imposed by OMB.<br>State and local governments will use their own audit procedures so long as they comply with these requirements.<br>These provisions do not limit the authority of the Federal Government to make audits, but if recipient audits meet requirements, Federal agencies should rely on them and build on them.<br>Prescribes use of GAO Standards and Standards of American Institute of Certified Public Accountants.<br>Prescribes minimum coverage and determination to be made in audits. | No special attachment on audit requirements. The requirements are contained in Attachment F Standards for Financial Management Systems. |

EXHIBIT 1-A

| Subject | A-102 | A-110 |
|---|---|---|
| | Requires tests of a representative number of charges to the Federal awards. | |
| | Encourages annual audits, but requires them every two years. | |
| | Requires that if auditors find irregularities, they must immediately notify grantors and grantee supervisors. | |
| | Prescribes content of the audit report. | |
| | Provides that OMB will designate cognizant agencies for organization-wide Federal audits. Prescribes the responsibilities of cognizant agencies. | |

## APPORTIONMENT OF FEDERAL FUNDS

A. Purpose. This Chapter sets forth the basis for recommendations to the Secretary of the Interior for the apportionment of any funds which may be appropriated by Congress for the Historic Preservation Fund. These recommendations conform to Sections 101(d) and 103 of the National Historic Preservation Act, as amended, and to the regulations for Approved State and Local Programs (36 CFR 61). The material below is applicable for each appropriation to the extent that Congress does not specify how funds shall be apportioned.

B. Apportionment of Funds to State Programs and the National Trust for Historic Preservation.

1. The Secretary of the Interior apportions obligational authority to States with approved programs (see Section "D" below) and to the National Trust for Historic Preservation within 30 days of the enactment of the regular Department of the Interior fiscal year appropriation. If Historic Preservation Fund obligational authority is provided through a Continuing Resolution for the purpose of continuing work in progress, such funds shall be distributed among the States by prorating according to each State's share of the total grant award made in the previous fiscal year. This amount shall then be subtracted from any subsequent apportionment of obligational authority in the regular Interior appropriation. Authority to apportion funds has not been delegated by the Secretary.

2. Obligational authority for the National Trust for Historic Preservation normally is specified in the appropriation law and is not subject to computation by formula.

3. The formula to compute State apportionment recommendations to be made to the Secretary is composed of two parts: the Basic Program Allocation and allocations related to State workload and performance.

   a. Basic Program Allocation (BPA). The BPA is an estimate of the program-wide cost for the level of performance sufficient for States to maintain Approved Program status from the Secretary (cf., Chapter 30). It is designed to provide support for nondiscretionary activities carried out by the States. These are described in Section 101(b)(3) of the National Historic Preservation Act, as amended, and in 36 CFR 61.4(b). Funds assigned to the "BPA pool" in fiscal years 1982 and 1983 were calculated to be approximately $14 million. Over time, the size of this pool is expected to rise modestly should the associated costs rise. Allocations from the pool are computed by prorating the total funds in the BPA pool according to each State's relative proportion of the total of all State apportionments converted to 3-year moving averages. This procedure, in conjunction with a ceiling on BPA allotments is used to ensure that BPA allocations remain relatively stable so that State programs may have a reasonably reliable basis for out-year planning. At the same time, changes in the BPA will occur as a result of increases or decreases in the size of the BPA pool and in the size of the total State allocation which occurs as a result of the Performance Allocations described below. The steps used in calculating the BPA are as follows:

1) Using unadjusted total awards, compute each State's 3-year average;

2) Compute each State's proportion of the 3-year average for all States;

3) Perform the preliminary computation; i.e., the State's proportion of all averages multiplied by the amount in the BPA pool;

4) Compare the preliminary computation to the previous year's BPA.

    a) If a State's preliminary computation is $350,000 or greater, and its previous year's BPA is greater than $350,000, the new year's BPA for that State will be $350,000 or the previous year's BPA minus 10 percent, whichever is greater.

    b) If the preliminary computation is $350,000 or greater, and previous year's BPA is $350,000, the new year's BPA for that State will be $350,000.

    c) If a State's preliminary computation is $350,000 or greater, and its previous year's BPA is less than $350,000, the new year's BPA will be $350,000.

    d) If a State's preliminary computation is less than $350,000, and its previous year's BPA is less than $350,000, the State is eligible for redistributed funds.

    e) If a State's preliminary computation is less than $350,000, and its previous year's BPA is equal to or greater than $350,000, the State is eligible for redistributed funds.

5) Calculate the total amount to be redistributed by subtracting $350,000 from the preliminary computation for each State whose preliminary computation exceeds $350,000. Add the results to compute the total amount to be redistributed.

6) Calculate each State's share of the redistributed funds; i.e., (3-year average of each State eligible to receive redistributed funds divided by the total of 3-year averages for all States eligible to receive funds) multiplied by the total amount to be redistributed.

7) Add each State's share of the redistributed fund to its preliminary computation to form the State's second computation.

8) a) If a State's second computation is $350,000 or greater, its new year's BPA is $350,000.

   b) If a State's computation is $350,000 or less, and the second computation for no State is greater than $350,000, its new year's BPA is the second computation.

   c) If a State's second computation is less than $350,000 and the second computation for at least one other State is greater than $350,000, the State is eligible for a second round of redistributed funds.

9) Repeat steps 5 through 8 to calculate amount to be redistributed and so on until a computation amount for no State exceeds $350,000.

b. Non-construction Performance Allocation (based on State Workload and Performance Factors). State workload and performance factors reflect the quality and level of effort expended by States in making measurable progress toward program goals of identification and protection of historic properties, economic vitality, and resource planning. These factors are tied to State Historic Preservation Officer responsibilities and to the reporting of State activities as described in Chapters 6, 25, and 30 of this Manual. The apportionment formula may include workload and performance factors drawn from among the following:

1) Review and Compliance Factor.

2) National Register Nomination Factor.

3) Preservation Tax Incentives Factor.

4) Survey Factor.

5) Planning Factor.

6) Local Certification & Pass-Through Factor.

7) State Program Administration Factor.

c. Construction Performance Allocation. The Construction Performance allocation is concerned with grantee activities to acquire and/or develop historic properties as a means for their protection and preservation. Construction activities, although authorized by the National Historic Preservation Act, as amended, often are not implemented because of stipulations by

Congress. As a result, there is seldom a continuous performance basis for computing allocations to States. One of the following three circumstances will usually occur in the event that funds are appropriated for this purpose:

1) If there was no Construction grant allocation in the previous fiscal year, the amount for Construction Activities is to be added (the amount specified in the appropriation, or 20 percent of the total State grant appropriation if the amount is not specified) to the BPA pool and allocated in the same proportions as for the BPA;

2) If Construction Activities were included in the previous fiscal year's apportionment, the amount for Construction Activities (as specified in the appropriation, or 20 percent of the total State grant appropriation if the amount is not specified) is to be allocated according to the performance factor for construction-related factors;

3) If Construction Activities are separately appropriated for a special purpose (such as reduction of unemployment), allocation of the appropriated amount is to be weighted according to the occurrence or distribution of the appropriation's target (e.g., unemployment, etc.).

4) Presently identified State performance and workload factor measurements pertaining to Construction Activities are identified in the section of this Chapter on factor measurement under the headings "Development Factor", "Acquisition Factor", and "Covenants and Letters of Agreement Factor."

4. The Performance Allocation is a portion of the annual apportionment designed to stimulate emphasis by States on particular program components of authorized HPF preservation activities. The program components can be broadly described as improving State and local capabilities for carrying out historic preservation activities, improving comprehensive planning to define effective preservation strategies, improving the inventory of identified and evaluated properties, registering qualified properties in the National Register of Historic Places, and documenting and protecting properties as necessary. Although each of these components is (or may be) actively performed simultaneously, they also build on each other and consequently may be given apportionment emphasis in a sequence taking several years to complete before returning to initiate the cycle again. Such a multi-year apportionment strategy will be incorporated in this section of the Manual at a later time providing a more results-oriented National program framework for developing annual apportionment formulas.

5. The proposed annual apportionment formula shall be determined from among these factors and be made known, after consultation with the

National Conference of State Historic Preservation Officers (NCSHPO), not later than the beginning of the fiscal year preceding that of the grant period in which the formula is to be applied. NPS shall use this proposed formula as the means for computing its recommendation of State apportionment allocations to the Secretary without modification unless so directed by Congress in the appropriation process or unless such change is agreed to by NPS and the NCSHPO. Upon approval by the Secretary, the formula constitutes the determination of need referenced in Section 103 of the National Historic Preservation Act, as amended.

C. Workload and Performance Factor Measurement. Several indicators may be used to measure State workload and performance. The measures used to implement the formula are to be drawn from all or part of the indicators listed below. Verifiable data for each of these would be available either from NPS records or as reported by the States in their End-of-Year Reports (see Chapter 25) and verified in the State Program Approval process (see Chapter 30).

1. Factor "Dictionary."

a. Review and Compliance Factor. The possible measures include:

1) Number of Section 106 generated project reviews that end with a finding of:
    a) No Properties in Impact Area,
    b) No Effect on Properties,
    c) No Adverse Effect,
    d) Adverse Effect,
    e) Conditional No Adverse Effect, or
    f) A new, renewed, or revised project Memorandum of Agreement.

2) Number of Federal projects or permits reviewed.

3) Number of new, renewed, or revised programmatic Memoranda of Agreement between the State, the Advisory Council on Historic Preservation, and a Federal agency.

4) Number of Determinations of Eligibility (including consensus determinations).

5) Number of Categorical Exclusions.

6) Number of technical assistance requests responded to in the Review and Compliance Program Area.

b. National Register Factor. The possible measures include:

1) Number of nominations listed on the National Register during the previous fiscal year.

2) Number of contributing properties in nominations listed on the National Register during the previous fiscal year.

3) Number of properties considered eligible for listing on the National Register but not listed due to owner objection.

4) The percentage of each State's nominations returned to the State as a result of substantive review by the National Park Service.

5) Number of technical assistance requests responded to in the National Register Program Area.

c. Preservation Tax Incentives Factor. The possible measures include:

1) Number of Evaluations of Significance (Part I's) reviewed and forwarded to the National Park Service during the previous fiscal year.

2) Number of Preliminary Certifications of Rehabilitation (Part II's) reviewed and forwarded to the National Park Service.

3) Number of Final Certifications of Rehabilitation (Part II's), without a preliminary certification, reviewed and forwarded to the National Park Service.

4) Number of Final Certifications of Rehabilitation (Part II's) having had a preliminary certification, reviewed and forwarded to the National Park Service.

5) Number of Certifications of State or Local Statutes reviewed and forwarded to the National Park Service.

6) Number of Certifications of State or Local Districts reviewed and forwarded to the National Park Service.

7) Number of technical assistance requests responded to in the Preservation Tax Incentives Program Area.

8) The presence on staff of a full-time, qualified Historical Architect for at least 9 months during the previous fiscal year.

9) Participation in Expedited Review.

d. Survey Factor. The possible measures include:

1) Number of historical/architectural properties added (during the previous fiscal year) to the State inventory at the Minimum Level of Documentation.

2) Number of archeological properties added (during the previous fiscal year) to the State inventory at the Minimum Level of Documentation.

3) Number of historical/architectural properties added (during the previous fiscal year) to the State inventory at the National Register Level of Documentation.

4) Number of archeological properties added (during the previous fiscal year) to the State inventory at the National Register Level of Documentation.

5) During the previous fiscal year, the number of square miles surveyed at the Reconnaissance Level for historical/architectural resources.

6) During the previous fiscal year, the number of square miles surveyed at the Reconnaissance Level for archeological resources.

7) During the previous fiscal year, the number of square miles surveyed at the Intensive Level for historical/architectural resources.

8) During the previous fiscal year, the number of square miles surveyed at the Intensive Level for archeological resources.

9) Number of technical assistance requests responded to in the Survey Program Area.

e. Planning Factor. Possible measures include:

1) Number of Planning subgrants.

2) Number of Architectural Plans and Specifications.

3) Number of new, renewed, or revised Programmatic Memoranda of Agreement.

4) Number of Categorical Exclusions.

5) Number of Federal agency regional agreements to use the State comprehensive historic preservation planning process; e.g., a regional Corps of Engineers office agreeing to follow a State plan in a river drainage basin.

6) Number of Federal agency (within State) agreements to use the State comprehensive historic preservation planning process.

7) Number of State agency agreements to use the State comprehensive historic preservation planning process.

8) Number of agreements with other States to mesh aspects of their State comprehensive historic preservation planning processes; e.g., common study units crossing State boundaries or a plan addressing a multi-State river system.

9) Number of technical assistance requests responded to in the Planning Program Area.

10) Number of plans, reports, or guidelines developed.

f. Local Certification & Pass-Through Factor. Possible measures include:

1) Number of local governments certified in the previous fiscal year.

2) Number of certified local governments monitored in the previous fiscal year.

3) Number of certified local governments receiving funds in the previous fiscal year.

4) Number of technical assistance requests responded to in the Local Certification & Pass-Through Program Area.

g. Development Factor. Possible measures include:

1) Number of active development subgrants.

2) Number of National Historic Landmarks assisted.

3) Number of technical assistance requests responded to in the Development Program Area.

h. Acquisition Factor. Possible measures include:

1) Numbers of active acquisition subgrants.

2) Number of Final Project Reports completed.

3) Number of technical assistance requests responded to in the Acquisition Program Area.

i. Covenants and Letters of Agreement Factor. Possible measures include:

1) Number of active covenants monitored.

2) Number of active letters of agreement monitored.

3) Number of technical assistance requests responded to in the Covenants and Letters of Agreement Program Area.

j. State Program Administration Factor. Possible measures include:

   1) Expenditure rate.

   2) Required reports received by NPS in acceptable form on or before due date.

   3) The amount of the adjusted award under the previous year's formula.

   4) The amount of recaptured funds.

   5) The amount of audit payback.

k. Other Activities Factor (for Pacific territories). Possible measures include:

   1) Number of holders of traditional skills and types of knowledge identified.

   2) Number of traditional skills and types of traditional knowledge documented.

   3) Number of people trained in traditional skills or traditional types of knowledge.

   4) Number of public education meetings held.

   5) Number of technical assistance requests responded to in the "Other Activities Program Area."

2. Computation Techniques. Several computation techniques are available for developing the formula, depending upon the factors used and the statistical results desired in the formula. These include:

   a. Awarding points to products and then computing each State's proportion of all points awarded in the factor or measurement.

   b. Weighing products differentially depending upon desired emphasis (e.g., to encourage programmatic Memoranda of Agreement), degree of difficulty (e.g., it takes more work to survey the same area at an intensive level than it does at a reconnaissance level), or significant logistical obstacles.

   c. Awarding a preset amount for achieving a desired result or status (e.g., $15,000 to each State that had a full-time historical architect on staff for at least 9 months of the previous fiscal year).

   d. Dividing evenly a pool of funds among all States achieving a desired result or status (e.g., an equal share of $1.5 million for all States participating in the Preservation Tax Incentive Program).

   e. Varying the amount of funds available for each factor. In other words, weighing differentially the factors instead of, or in addition to, weighing the measurements differentially.

   f. Using a stability check on either a factor or the entire award to keep a State's percentage change, award change, or award within a predetermined range.

3. Matching Requirement. The Federal funds awarded must be matched by the proper amount of cash or integral and necessary in-kind contributions. See Chapters 6 and 14.

4. Adjustment of Award. The apportionment award to a grantee is reduced by the amount of unobligated or unexpended funds. Procedures for the adjustment of obligational authority are detailed in Chapter 3.

5. If a grantee cannot document performance results that were used to apportion Historic Preservation Fund monies, the NPS will on a case-by-case basis carry out steps that may include, but are not limited to, the following:

   a. Adjustment of current award.

   b. Adjustment of subsequent award.

   c. Loss of eligibility to participate in the apportionment of a particular performance factor(s).

   d. Loss of the entire performance-based allocation.

   e. Loss of Approved State status.

D. Apportionment of Funds to Certified Local Governments.

1. Apportionment of funds to Certified Local Governments is performed in approved States in accordance with the certified State process for Transfer of Funds to Certified Local Governments (see 36 CFR 61).

2. Where there is no approved State program, the National Park Service will act in place of the State (see 36 CFR 61).

E. Apportionment of Funds to Other Grantees. Should Congress designate other entities to receive direct funding, NPS will prepare necessary instructions based on those circumstances.

F. Apportionment of Funds to Pacific Territories. Because of the unique legal setting (particularly, differences in the Tax Code) of historic preservation activities in the Western Pacific territories (Guam, Commonwealth of the Northern Mariana Islands, American Samoa, and the Trust Territory of the Pacific Islands), a modification of this apportionment process has been prepared for these areas, which takes into account their inability to perform such activities as Preservation Tax Incentives and Local Government Certification and Pass-Through, and the unique and unusual geographical and logistical obstacles the Pacific Territories have to overcome to perform in the Survey Program Area. Therefore, for Pacific Territories the survey measurements will be weighted more heavily than for other States, and an apportionment factor for the identification, evaluation, and protection of traditional skills and knowledge will be used for the Pacific Territories in lieu of the Preservation Tax Incentives Factor and the Local Certification and Pass-Through Factor (see Section C.1.k. above).

## BASIC PROGRAM REQUIREMENTS FOR HISTORIC PRESERVATION FUND GRANTS

A. Purpose. This Chapter sets forth requirements governing programmatic (consolidated) grants to States and the National Trust for Historic Preservation under the 1980 Amendments to the Act. The consolidated grant replaces the previously separate grants awarded individually for acquisition projects and for development projects, and the multi-purpose "nonconstruction" grants. The terminology separately characterizing acquisition grants, development grants, and "survey and planning" grants is no longer applicable for grant-making under the consolidated, programmatic grant issued since fiscal year 1982. (Chapter 6 describes the eligible activities under the consolidated grant structure.)

Several topics covered in this Chapter are discussed in greater detail throughout this Manual. This Chapter (as well as Chapter 6) restates or augments policies previously issued in letter form in order to implement the 1980 Amendments as they pertain to the grants-in-aid program.

B. Legislative Authority. Section 102 of the Act, as amended in 1980, specifies in part:

"(a) No grant may be made under this Act--

(1) unless application therefore is submitted to the Secretary in accordance with regulations and procedures prescribed by him;

(2) unless the application is in accordance with the comprehensive statewide historic preservation plan which has been approved by the Secretary after considering its relationship to the comprehensive statewide outdoor recreation plan prepared pursuant to the Land and Water Conservation Fund Act of 1965 (78 Stat. 897);

(3) for more than 50 per centum of the aggregate cost of carrying projects and programs specified in section 101(d)(1) and (2) in any one fiscal year, except that for the costs of State or local historic surveys or inventories the Secretary shall provide 70 per centum of the aggregate cost involved in any one fiscal year;

(4) unless the grantee has agreed to make such reports, in such form and containing such information as the Secretary may from time to time require;

(5) unless the grantee has agreed to assume, after completion of the project, the total cost of the continued maintenance, repair, and administration of the property in a manner satisfactory to the Secretary; and

(6) until the grantee has complied with such further terms and conditions as the Secretary may deem necessary or advisable. Except as permitted by other law, the State share of the costs referred to in paragraph (3) shall be contributed by non-Federal sources. Notwithstanding any other provision of law, no grant made pursuant to this Act shall be treated as taxable income for purposes of the Internal Revenue Code of 1954.

(b) The Secretary may in his discretion waive the requirements of subsection (a), paragraphs (2) and (5) of this section for any grant under this Act to the National Trust for Historic Preservation in the United States, in which case a grant to the National Trust may include funds for the maintenance, repair, and administration of the property in a manner satisfactory to the Secretary."

Section 102(a)(3) provides the basis for eliminating the previously used project-by-project application and approval process which required that each acquisition project or development project be individually matched with nonfederal contributions on a 50-50 basis and individually approved for obligation of funds by NPS. The intent of this consolidated grant provision is to allow a grantee to aggregate the annual matching share contributions from individual historic preservation projects and programs so long as the total expenditures during the fiscal year are within the established percentage requirements. Section 102(a)(3) also authorizes 70 percent Federal funding for historic property survey and inventory and 50 percent for all other eligible projects and programs. Thus this Section provides the framework for two components of eligible program activity: 1) "Survey and Inventory" and 2) all other "Program Operations," and two types of grants, a "Regular Appropriation Grant" and a "Continuation Grant."

Note that this structure of consolidated 12-month grants maintains the requirements of Federal grant programs. That is, these grants are not block grants, for which the OMB administrative requirements governing grants-in-aid have been reduced or modified. Instead these programmatic grants merely consolidate the survey, registration, and protective activities and projects formerly funded under the multi-purpose title "Survey and Planning" and the separately awarded grants for individual acquisition projects and development projects, without diminishing the applicability of relevant Federal grant administrative requirements.

## C. Eligible Applicants.

1. Applicants. States, defined in Chapter 1.D, and the National Trust for Historic Preservation are eligible to apply for HPF grants. Procedures for direct grants for threatened National Historic Landmarks, demonstration projects, and other purposes authorized by Section 101(d)(3) have not been promulgated, nor have funds been "earmarked" for direct grants. NOTE: The HPF grantee is the entire legal entity receiving the award, not just the particular organizational component named in the Grant Agreement. For example, the grantee is the entire State, not just the named State agency.

2. Designation of the State Historic Preservation Officer. The State Historic Preservation Officer (SHPO) is considered by NPS to be the appointed representative of the chief elected official of the State authorized to assume, on behalf of the State, the obligations imposed by the Act, by the applicable regulations implementing the Act, and by the general and special conditions and terms of the grant.

   a. The State Governor or Chief Governing Official designates in writing a State Historic Preservation Officer with authority to represent the State and to be responsible for carrying out the purposes of the Act (see 36 CFR 61).

   b. Whenever a new SHPO is designated or an incumbent reconfirmed by the Governor, notification by the Governor shall be mailed to the Director, National Park Service, Attention: Preservation Assistance Division. The notice of designation shall include the following elements:

      In accordance with the National Historic Preservation Act, Public Law 89-665, as amended, I hereby designate name, title, organization, as the State Historic Preservation Officer. He/She has been delegated authority to represent the State in carrying out the responsibilities specified in the Act, and regulations and administrative requirements established for implementation of that Act.

3. Responsibilities of the State Historic Preservation Officer.

   a. The responsibilities specified in Section 101(b)(3) of the Act include:

      1) Directing and conducting a comprehensive survey of historic properties and maintaining inventories of such properties.

      2) Nominating eligible properties to the National Register.

      3) Preparing and implementing a comprehensive statewide preservation plan.

      4) Administering the program of Federal grant assistance for historic preservation within the State.

      5) Advising and assisting Federal and State agencies and local governments in carrying out their historic preservation responsibilities.

      6) Cooperating with the Secretary of the Interior, the Advisory Council on Historic Preservation, and other Federal, State, and local governments, organizations, and individuals to ensure that historic properties are taken into consideration at all levels of planning and development.

7) Providing public information, education, training, and technical assistance relating to the Federal and State historic preservation programs. (This may include assisting NPS in reviews related to the certification of Economic Recovery Tax Act projects.)

8) Cooperating with local governments in the development of local historic preservation programs, and certifying these programs, pursuant to the Act and related regulations.

b. Accountability. NPS considers the State Historic Preservation Officer to be the State official acting for the State's Governor and responsible for the professional, organizational, and fiscal conduct of the HPF grant program in the State. The transfer of funds to other agencies within the State, to certified local governments, to public or private organizations, or to individuals for the purpose of carrying out grant-supported subgrants or contracts shall not in any respect relieve the State Historic Preservation Officer of his/her responsibility to ensure that HPF funds are disbursed only for activities, programs and projects which are accomplished in accordance with program standards, regulations, policies, terms, and conditions of grant awards; for ensuring that funds are accounted for in accordance with generally accepted accounting principles; and in keeping with the requirements of this Manual.

The State Historic Preservation Officer shall assure that the program has adequate internal program and acounting controls, personnel standards, property management standards, evaluation procedures, availability of in-service training and technical assistance programs, and other policies as may be required by the terms of the grant, this Manual, NPS regulations, or otherwise necessary for program efficiency and effective, proper use of HPF funds. (See also Section E.6 below, Standards applicable to subgrantees.)

c. Post-grant monitoring by grantees and NPS. Grantees must employ sound management practices to ensure that HPF program regulations and agreed-upon objectives and results are met, whether conducted by SHPO-supervised staff or by subgrantees or subcontractors, and that grant funds are properly expended. To the extent possible, NPS places reliance on the policies and management controls established by grantees (see Chapter 29, Internal Control Standards). NPS monitors grantees' performance to assure accountability for HPF grant funds and to ensure conformance with the Secretary's Standards and other legislative and administrative requirements and standards. NPS also monitors grantee performance to identify and respond to major grantee technical assistance needs. The following provisions place maximum reliance on grantee responsibility and accountability for program and project level decisions, while grantees work with NPS to attain national program results.

NPS monitoring of grantee activity in certain assisted Program Areas extends beyond the term of a particular grant award, whether or not NPS continues to provide active grant support. This includes the continuing grantee obligation to account for property acquired as part of an NPS assisted program or project (Chapter 20) and to monitor preservation covenant requirements (Chapter 6).

The principal means of ongoing NPS monitoring are the Project Notification, commonly called the "Informational SF 424" (described in Chapter 6), the End-of-Year Report, and the Final Project Report (see Chapter 25, Monitoring and Reporting Program Performance).

Final Project Report. A Final Project Report, prepared in accordance with the requirements specified in Chapter 25, Monitoring and Reporting Program Performance, must be submitted by the grantee within 90 days after project completion. Grant funds disbursed for work that 1) does not meet the Secretary of the Interior's Standards and Guidelines, 2) the terms and conditions of the applicable HPF grant, and/or 3) does not fall within the scope of the NPS-approved grant or the Informational SF 424 must be refunded to NPS after the term of the Continuation Grant has expired. Alternatively, subject to NPS approval, the funds may be reallocated to other eligible activities of the grantee for use during the Continuation Grant period.

Ineligible or improper payments issued by a grantee will not be paid by NPS. Disallowances based upon audits of grantees' (or subgrantees') financial records must be repaid to NPS. See Chapter 27, Grantee Accounting and Audit Responsibilities.

4. State professional staff.

   a. The State Historic Preservation Officer is responsible for maintaining a professional staff to assist in the conduct of the program. This staff must meet the professional qualifications requirements stated in 36 CFR 61, unless waived in writing by NPS.

   b. Financial and management capability. In addition to the required staff listed in 36 CFR 61, NPS strongly recommends that SHPO staff include an incumbent who is responsible for advising the SHPO on all matters affecting financial operations. Whether this function is fulfilled by an SHPO staff member or outside service, the grantee is responsible for ensuring that an adequate financial management system is in place (see Chapter 22, Section C, as well as Chapters 29 and 30).

      This individual may be called a finance officer, controller, accountant, business manager, grants officer or any other title depending upon the size of the grantee's financial operations, its placement in the State government hierarchy, and related responsibilities. At a minimum that person should be responsible for: ensuring that all statutory, regulatory, or other financial requirements are met; that generally accepted principles of accounting are applied; and that financial standards and procedures for fund control prescribed in Chapter 22 (which incorporates Attachment G of OMB Circular A-102), Standards for Grantee Financial Management Systems, are met.

The recommended minimum professional qualifications for a financial or grants manager for a program size greater than $150,000 are: a 4-year college degree in accounting or its equivalent; and 2 years experience in maintaining a complete double-entry set of accounts and supporting records, preparing financial statements, and maintaining payroll records. Qualifications may be lessened if outside financial control assistance is available to the grantee. In addition, a more experienced person might be acceptable with less training, or more education might be substituted for less experience; however some combination of both is desirable. These requirements are intended only for guidance in personnel selection. In evaluating the requirements for the position, the number of ongoing subgrant or contractual agreements, the number of completed preservation project covenants requiring ongoing monitoring, the complexity of financial relationships with subgrantees, and the amount of funds administered should be considered. The SHPO should use outside financial counsel regarding major financial decisions, problems, and overall evaluation of the accounting system where appropriate (see Chapter 27, Grantee Accounting and Audit Responsibilities, Chapter 22, Standards for Grantee Financial Management Systems, and Chapter 30, Exhibit 30-C, Standard IV).

c. NPS review and approval of staff professional qualifications. As part of the State Program Approval Process (see Chapter 30) NPS will verify that each State has a fully qualified staff in accordance with 36 CFR 61. In addition, the SHPO shall submit with the annual grant application a certification that the State has a fully qualified staff and Review Board (see Chapter 7).

5. State Review Board. In accordance with 36 CFR 61, the SHPO shall designate members of the State Review Board unless otherwise provided for by State law.

a. Each State shall maintain a State Review Board whose qualifications, responsibilities in the administration of the program and composition are in accordance with those defined in 36 CFR 61. Where State law establishes entities such as a State Historical Commission, which does not or cannot assume the requirements of 36 CFR 61, a separate complementary State Review board must be established. The roles and responsibilities of each entity should be clearly delineated to prevent duplication;

the objective is to obtain compliance with 36 CFR 61 requirements.

b. Meetings and rules of procedure. The State Review Board shall meet at least three times a year and must adopt written procedures governing its operation consistent with the provisions of 36 CFR 61, and this Manual, particularly conflict of interest (see Section C.6, below, and Chapter 5, General Conditions Governing Grants).

c. The Review Board shall advise the State Historic Preservation Officer in accordance with its members' areas of professional expertise. In order to avoid the appearance of conflict of interest, NPS recommends that the details of program implementation be clearly within the scope of the SHPO rather than the Review Board. The SHPO would administer the details of program operations.

6. Conflict of interest. No person, as defined below, shall participate in the selection, or in the award or administration of a subgrant, contract, or subcontract assisted by HPF grants, a Tax Act Certification, or National Register nomination, if a conflict of interest, real or apparent, would be involved. In the procurement of supplies, equipment, construction, and services by grantees, subgrantees, or other grant recipients, the conflict of interest provisions in Attachment O of OMB Circulars A-102 (see Chapter 17, Section E, Code of Conduct) and A-110 shall apply. Such cases include the provision of HPF financial assistance by the grantee or its subgrantees to any public or private organizations, individuals, businesses, and other entities for any HPF grant-supported activity.

These provisions apply to any person who is an employee, agent (including Review Board memebers), consultant, officer, or official of the grantee (whether elected or appointed), or any other recipient of funds under an HPF grant, including Certified Local Government-sponsosred organizations. These provisions apply to the State Review Board as well as any other Board created by State law that carries out all or part of the Review Board functions specified in 36 CFR 61. Except for approved eligible personnel costs for staff, no persons who exercise or have exercised any functions or responsibilities with respect to HPF-assisted activities, or who are in a position to participate in a decisionmaking process or to gain information not generally available to the general public with regard to such activities, may obtain a personal or financial interest or benefit from the activity. Further, such persons shall not have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds therefrom, either for themselves or for persons with whom they have family or business ties, during their tenure or for 1 year thereafter. However, persons who abstain from the decision-making process shall not be considered to be ineligible to take part in, or benefit from, such activity. Persons who thus abstain from the decisionmaking process shall not be precluded from rendering an opinion concerning the activity, so long as those in a position to make a decision are fully informed as to the possible interest of the persons abstaining.

a. Applicability to State Review Board.

1) These provisions are directly applicable to the State Review Board or any other advisory body executing the functions of 36 CFR 61. In such situations, a conflict of interest would generally exist when (1) the Review Board member's employment is directly tied to, or otherwise dependent upon, his or her employing organization receiving a subgrant or contract; and (2) the member, or his/her immediate family or partner has a personal interest or receives direct financial benefit as a result of the subgrant or contract. Financial benefit, other than a fee in accordance with applicable Statewide procedures, includes, without exception, any royalty, commission, contingent fee, professional services contract, brokerage fee, or other payment accruing to the person or any member of his immediate family. (See b.(3) below.)

2) Grantees may adopt more stringent requirements in their code of conduct, procedures, and review board bylaws. However, the language in subsection b.3) below is to be made applicable to its review board(s). States must consult the State's Attorney General in order to incorporate applicable provisions of State law, and/or local law for Certified Local Governments.

b. Avoiding conflict of interest.

1) NPS policy requires that no person may be permitted to receive for review or act upon a pending National Register nomination, Tax Act certification, subgrant, contract, subcontract, or any other agreement in connection with any grant-assisted activity whenever there may be the appearance of a conflict of interest, or to be present during the review, discussion, and scoring of such applications at any review panel meeting, or take part in any subsequent recommendations or decisions about that property. Any member of the review board who has a conflict of interest (as determined by the SHPO and/or the review board) with respect to any application to be considered by the review board shall absent himself or herself from the meeting during the discussion, review, and scoring of such application or contract. This requirement is applicable to members who directly represent organizations on any matter which would financially or personally benefit such member or any organization such member represents.

2) Any member who stands to benefit personally or financially as a result of any part of any HPF grant application, including the regular appropriation or Continuation Grant, must not be present during the discussion or vote on that grant proposal.

3) A person is considered to have a conflict of interest with respect to an application if any of the following has a personal or financial interest in that application or procurement:

    a) He, his spouse, minor child, or partner;

    b) A for profit or nonprofit organization in which the person is serving as an officer, director, trustee, partner, or employee;

    c) Any person or organization with whom the person is negotiating or has any arrangement concerning prospective employment.

4) Review board members, in order to protect themselves and the SHPO organization from allegations of conflicts of interest or favoritism must take individual responsibility for evaluating their own financial interest or that of their family that relates directly, indirectly, or personally to their duties on the Review Board.

5) Should an application be transmitted for review which, from the member's evaluation presents a conflict of interest situation, the complete grant application shall be returned to the SHPO staff member who transmitted such application with the advice that the member is abstaining from the review because of a conflict of interest or the appearance of a possible conflict of interest.

c. Applicability to grantee employees.

Grantee employees or agents participating in grant-assisted programs or projects shall not use their position for a purpose that is, or gives the appearance of being, motivated by a desire for personal benefit or private gain for themselves or others, particularly those with whom they have family, business, or other ties. No employee or agent who has a financial interest in a property shall participate in the nomination or certification of that property or take part in any recommendations or discussions about that property. No employee or agent of the grantee shall participate in the selection, or in the award or administration of a grant, subgrant, or contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

1) the employee, officer or agent;
2) any member of his immediate family;
3) his or her partner; or
4) an organization which employs, or is about to employ, any of the above,

has a financial or personal interest in the subgrantee entity or firm selected for award.

No employee shall engage in outside employment or private business activity or have any direct or indirect financial interest that conflicts or would appear to conflict with the fair, impartial and objective performance of officially assigned duties and responsibilities. Employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to potential or actual grant awards.

d. Nepotism. Grantees will follow State laws and administering regulations governing nepotism in relation to employment, contracting, and the award of HPF grant assistance.

e. Officials not to benefit. No member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of a grant, or to any financial benefit that may arise therefrom; but this provision shall not be construed to extend to a grant if made with a corporation for its general benefit.

f. The award and administration of NPS grants and of subagreements awarded by grantees under those grants must be accomplished free from bribery, graft, kickbacks, and other corrupt practices (see OMB Circular A-102, Attachment O). The grantee bears the primary responsibility for the prevention, detection, and cooperation in prosecution of any such conduct. Federal administrative or other legally available remedies will be pursued to the extent appropriate.

g. Reporting suspected violations. The grantee shall be responsible for enforcing the above conflict of interest provisions. The grantee must effectively pursue available State or local legal and administrative remedies, and take appropriate remedial action with respect to any allegations or evidence coming to its attention, and must promptly advise NPS of the status and ultimate disposition of any matter. The SHPO organization's code of conduct (see Chapter 17, Section E) shall specify the procedure for enforcing conflict of interest requirements. The code shall specify procedures for reporting alleged violations and shall clearly identify: a) what to report and how to report it; and b) the channels through which reports must pass, including the function and authority of each official designated.

h. Treatment of violations. Violations of conflict of interest shall be pursued according to State law and administrative regulations. Such violations may result in audit cost disallowances, or other sanctions.

7. Comprehensive State Historic Preservation Plan. An adequate comprehensive State Historic Preservation Plan is a prerequisite for HPF assistance.

   a. The Plan will be reviewed as part of the State Program Approval Process. (See Chapter 30.)

   b. The Plan must be developed as a process and must meet the Secretary of the Interior's Standards for Preservation Planning.

   c. The Plan must be developed in a manner consistent with Executive Order 12372 (see Chapter 4).

   d. The Plan must be consistent with the Statewide Comprehensive Outdoor Recreation Plan, in keeping with the requirement of Section 102(a)(2) of the National Historic Preservation Act, as amended.

   e. The State's grant application must be consistent with its Plan.

D. Historic Preservation Fund Grant Awards. This section details the major elements of the funding sequence.

1. Apportionment Certificate. Prior to NPS consideration of a grant application from States or the National Trust, the amount of funds (obligational authority) apportioned by the Secretary will be made known by means of an Apportionment Certificate. For States, the Apportionment Certificate will be sent to the Governor and to the State Historic Preservation Officer. The Apportionment Certificate will stipulate the amount of obligational authority apportioned and the major terms and conditions of the apportionment. Among these conditions is the stipulation that the apportioned funds will be obligated only upon submission of an acceptable grant application (see Chapter 7 for States; Chapter 8 for the National Trust), and the stipulation that the amount apportioned may be reduced by the amount of unobligated balance at the end of the fiscal year (see Section K below).

   The Apportionment Certificate is a notice of fund availability and shall not be treated as an award of grant assistance. Grants will subsequently be awarded pursuant to NPS-approved written applications.

   The time period of obligational authority (24 months) has been specified in annual Congressional appropriations since fiscal year 1978. The 24-month period shall be stipulated in the Apportionment Certificate. When the Apportionment Certificate stipulates a period of availability of funds for a longer period of time beyond the 12-month term of the grant agreement, the additional period shall be noncompetitively extended by NPS via a Continuation Grant (see Section D.2 below), subject to the provisions of Section K, below, especially grantee accounting responsibilities.

2. Types of grants. There are two types of grant awards made by NPS under the Act: 1) a consolidated grant awarded annually based on the 12-month Federal fiscal year (a "regular appropriation" grant); and 2) a continuation grant for a second 12 months, with the same terms as the regular appropriation grant.

   a. "Regular Appropriation" grant. This grant is derived from the annual appropriation of new funds to the Department of the Interior authorized by Section 108 of the Act. "Such moneys shall be used only to carry out the purpose of this Act and shall be available for expenditure only when appropriated by Congress. Any moneys not appropriated shall remain available in the fund until appropriated for said purposes: Provided, that appropriations made pursuant to this paragraph may be made without fiscal year limitation." However, limitations on availability have been stipulated in appropriations legislation. This resulted in U.S. Comptroller General Opinion B-15187, issued September 15, 1981, which ruled :

   > Language in appropriations for the historic preservation grant program from the Historic Preservation Fund 1978 through 1981 fiscal years providing that funds appropriated for the program in each fiscal year were available for obligation for a two-year period takes precedence over conflicting language in the authorizing legislation that would allow the Department of the Interior to obligate funds appropriated for the program on a no-year basis.

   The maximum term of availability since that decision was rendered has continued to be the year of appropriation plus one additional year. Accordingly, any funds not obligated during, or funds that have been deobligated after, that period must be returned to the U.S. Treasury.

   b. Continuation Grant. This type of grant does not involve new appropriations; rather it authorizes a grantee to use previously obligated funds for a second 12 months of appropriation availability. However, in certain circumstances, additional funds may be allocated by the Secretary resulting from "use or lose" provisions.

Unless all funds will be expended for costs incurred during the 12-month grant period of the regular appropriation grant, a Continuation Grant application must be submitted to "carryover" unexpended funds for the purpose of incurring continuing grant costs in the next fiscal year. (See Section K below.)

3. Sequence of grant award actions. The following describes the expected sequence of grant award actions and grant spend-out:

--Before September 30 --
Current year Continuation Grant funds expended
--Postmarked by September 30 --
New Continuation Grant application submitted
--September 30 --
Current regular appropriation grant expires
--Within 30 days of receipt of Apportionment Certificate --
New regular appropriation application (plus any amendments to Continuation Grant) submitted
--Postmarked before November 1 --
State End-of-Year Report submitted. (In the event of an earlier than usual appropriation, NPS may ask for selected portions of the End-of-Year Report prior to November 1.)
--December 31 --
Final billing for expired Continuation and for Regular Grant amount not carried over
--Postmarked by December 1 --
National Trust End-of-Year Report
--January 31 --
State certification of NPS-prepared Financial Status Report

Note that in any fiscal year, there are two grant awards in operation: the Continuation Grant from the prior year regular appropriation, and the new regular appropriation grant. (There may be four if there is a 70/30 matching award for Survey and Inventory as well as a 50/50 matching award for all other program operations.) Each application requires a separate SF 424 face sheet and budget form for each grant; but the description of program activity Attachment A is cumulative. (See Chapter 7.)

4. Continuing Resolution Grant Awards.

a. General. Occasionally, funds are apportioned by the Secretary based on a Continuing Resolution of Congress. A continuing resolution is legislation that provides emergency funds to maintain ongoing activities when the regular fiscal year appropriation for such activities has not been enacted by the beginning of the fiscal year. The amounts to be made available, the conditions, and the duration are set by the legislation. An HPF grant application under the Continuing Resolution requests obligation of the new funds authorized only. (Note: A grant of new funds authorized by a Continuing Resolution is not the same as a Continuation Grant, which authorizes continued use of previously allocated funds. See Section K below.)

b. Contents of a Continuing Resolution Grant Application. See Chapter 7.

5. Grant application components. These are the two possible components of HPF grant awards to carry out the Program Areas defined in Chapter 6:

   a. Survey and Inventory. Section 102(a)(3) of the Act, as amended, authorizes the Secretary to provide up to 70 percent of the aggregate costs of "State or local historic surveys or inventories." This component, authorized at 70 percent Federal and 30 percent nonfederal share, is computed on the total costs of the component. It is calculated by multiplying the Federal share by 100/70 and then multiplying the resulting total cost by 0.30 to derive the required 30 percent nonfederal share. (Example: $10,000 of Federal share must be matched by $4,286 of nonfederal share.) States are not required to perform their survey activity on a 70/30 basis. Some States have opted, for administrative simplicity, to perform all HPF-assisted work under one consolidated 50 percent grant (see subsection 5.c. below).

      1) Eligible Activities for 70/30 funding. All activities eligible for 70/30 funding directly relate to the establishment, direction, and performance of the State or local survey program and the establishment, expansion, and maintenance of the State or local inventory. The function of surveys and inventories is to produce historic resource data that is useable in project planning. The purpose of the 70/30 matching authority is to accelerate these activities. Consequently, activities eligible for 70/30 funding include those chargeable to locating historic properties, establishing and implementing comprehensive plans to set State or local priorities (cf. NPS Publication; Resource Protection Planning Process), and technical assistance specifically directed toward the competent identification of historic properties. Similarly for inventories, eligible activities include those chargeable to the evaluation of historic resources that is a prerequisite for inclusion in an inventory, establishing and operating systems (including automated systems) to facilitate, entry, retrieval, and use of survey and inventory data, entry and upgrading of data, and technical assistance specifically directed toward the competent evaluation of historic resources.

      2) Activities Ineligible for 70/30 Funding. The 70/30 matching authority does not apply to evaluation beyond what is needed for State or local inventories. For example, those parts of the National Register process that are not related to evaluating a property's significance or are not part of the

process of adding properties to the State or local inventory do not qualify. Activities related to the use of survey and inventory data are not eligible; e.g., using inventory data as part of a Review and Compliance activity. The 70/30 matching authority does not apply to Review and Compliance activities, preparation of architectural plans and specifications, technical assistance except as it relates to survey and inventory, or any other activity not directly leading to producing historic resource data that is useable in project planning.

b. Program Operations. This includes all other program activity eligible for HPF assistance under the Act and related legislation, such as the Economic Recovery Tax Act of 1981. This component is funded at a 50-percent Federal and 50-percent nonfederal share ratio.

c. If a State chooses to obligate all funds for both components at the 50/50 ratio, only one SF 424 need be submitted. If 70/30 funding for Survey and Inventory is requested, two SF 424s, one for each component, must be included in the application package and the two awards must be accounted for separately.

d. National Trust. Components for the National Trust grant application are detailed in Chapters 6 and 8.

6. Grant application information. The information provided in the application serves as the contractual basis for the NPS grant agreement(s) during the term of the award. All significant data and information must be disclosed in the application(s). Failure by a grantee to consider or reveal information that might have significant bearing on the eligibility of an application [or subsequent Project Notification (Informational SF 424) which is considered by NPS as a supplement to the application] may be cause for refusal, cancellation, or recoupment of Federal assistance.

7. Use and disclosure of information. Grant applicants, grantees, and their contractors and subgrantees should be aware that information provided to NPS, or required by NPS to be on file with the grantee, is considered to be a public record and subject to disclosure under the Freedom of Information Act, 5 USC 552, unless determined to be exempt and not to be disclosed under that statute, or Section 301 of the National Historic Preservation Act. In addition, NPS acquires the right, unless otherwise specified in the grant agreement, to use and disclose program and project data. However, there may be some information that a grantee or subgrantee wishes to remain confidential. Those items must be clearly and prominently identified to NPS at the time the information is presented. NPS will consider such requests on their merits and within the limits imposed by Federal regulation on public disclosures (see also Chapter 28, Retention of Records, and Chapter 5, General

Conditions 18 and 34). Information received by NPS that is not accompanied by a claim for confidentiality in accordance with this paragraph may be made available to other public agencies and the general public without prior notice to the grantee. Unless a special condition in the grant provides otherwise, information submitted with an application, or other submission without a restrictive marking, will be subject to disclosure according to the Freedom of Information Act, and to the Government's rights to utilize data obtained under Federal grants.

8. Authorized signatures. Application SF 424 Face Sheets, Informational SF 424s, certifications and reports must be signed by the State Historic Preservation Officer (or President, National Trust for grants to that organization), or by persons authorized by those officials' written designation to NPS to obligate the grantee to the terms and conditions of the grant action, if approved. Each grant application and each individual Project Notification, (which becomes part of the application following NPS action) will be deemed to constitute an offer by the grantee to accept the requirements of this Manual. Acceptance of the grant award by the grantee shall be deemed to constitute acceptance of the terms and conditions affixed to each Grant Agreement by NPS.

9. Certifications. A grantee may be prosecuted under Federal or State statutes for any false statement, misrepresentation, or concealment made as part of a grant application or grant-related certification to NPS. The penalty for false statements in certifications is prescribed in 18 USC 1001.

10. Deviations. When exceptional circumstances are involved, a grantee may submit a written request and justification for a deviation from NPS procedures or NPS policy, as defined below, prior to submission of a grant application or Project Notification. In clearly exceptional cases, the NPS Grant Awarding Official may, upon concurrence of the Associate Director for Cultural Resources, determine in writing that a deviation is essential to effect NPS objectives. The written determination shall specify the reason(s) that special circumstances allow a deviation in the best interest of the Federal Government.

    No waiver will be granted for a period longer than 1 year. If an SHPO wishes to renew a waiver, it must send NPS a written request that documents that the situation still justifies a waiver and that the SHPO has made a good faith effort to create a situation for which a waiver would no longer be required.

    Requirements imposed by legislation or Governmentwide regulations promulgated in the Code of Federal Regulations, such as Office of Management and Budget or Treasury Circulars cannot be waived. (Note that some regulations provide for situations where requirements can be waived, e.g., 36 CFR 61.9.)

A deviation will be considered to be any of the following:

a. The imposition of greater or lesser limitations than those imposed by this Manual upon the use of a standard, procedure, form, requirement, or condition of grant assistance that is not legislatively mandated or required by Government-wide regulations.

b. The waiver of any policy, procedure, method, or practice of administering or conducting grant awards prescribed by this Manual;

c. Omission of any non-mandatory grant provision.

d. Use of forms or alteration of prescribed forms.

A copy of the NPS written approval must be enclosed with the grant application or Project Notification and the original retained by the grantee in the official project file.

E. Special Requirements. This section highlights special requirements with which grantees must comply for Historic Preservation Fund grant assistance. (Also refer to Chapter 5, General Conditions Governing Grants.)

1. Federal administrative requirements. The provisions of Office of Management and Budget Circulars A-87 and A-102, incorporated throughout this Manual, shall apply to all HPF grants to States. All grants to the National Trust for Historic Preservation shall be governed by the provisions of OMB Circulars A-110 and A-122. The appropriate Circulars shall be made applicable by States and the National Trust to all subgrants, contracts, or other agreements executed by them which involve HPF grant funds (see Chapter 12 concerning cost principles applicable to subgrants). Failure by a grantee to comply with these Circulars may be the basis for withholding payments for proper charges made by the grantee, recovery of such funds, and for termination of financial support.

2. Environmental requirements. Activities funded under the Act shall be conducted in full accord with the policies and provisions of the National Environmental Policy Act of 1969 (Public Law 91-190) and Chapter 11, Environmental Compliance Requirements.

3. Section 106 requirements. Grantees will cooperate with NPS and the Advisory Council on Historic Preservation to carry out provisions of Section 106 of the Act.

4. Equal Opportunity requirements. All activities assisted under the HPF grant program, whether operated by the grantee or any of its subgrantees or contractors are subject to the provisions below (also see Chapters 5 and 10).

a. Title VI of the Civil Rights Act of 1964, 78 Stat. 241, as amended, which provides that no person on the grounds of race, color or national origin shall be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.

b. DI Form 1350, Assurance of Compliance (with Title VI, Civil Rights Act of 1964), is part of the grant application documentation (see Chapter 7). Department guidelines for Title VI compliance responsibility for grants and contracts are detailed in Chapter 10. These guidelines are based on Title VI of the Civil Rights Act of 1964, as amended, and with the regulations promulgated pursuant to that Act by the Secretary of the Interior contained in 43 CFR 17. These regulations apply to every grant made under the Act and apply to subgrants and contracts awarded by grantees.

c. Property acquired or developed with HPF assistance shall be open to entry and use by all persons, regardless of race, color, religion, sex, or national origin, who are otherwise eligible. Discrimination on the basis of residence, including preferential reservation or membership systems, is prohibited, except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence.

d. All grant-assisted program literature must include the nondiscrimination statement prescribed in Chapter 10, Section 5 (b).

5. Open project selection process.

a. Purpose. It is the policy of the NPS that the State grant-assisted program implementation processes be open to maximum public scrutiny, review, and participation. Such an "opening" of the project selection process is a logical extension of the public benefit requirement of the National Historic Preservation Act. This policy is intended to assure accessibility to Historic Preservation Fund programs by all citizens, to assure that national priorities are met, and particularly to assure that all subgrants, as well as all contracts, are selected for funding in an open manner.

b. Goals.

1) To have public knowledge of and participation in the project selection process utilized by the State in allocating HPF assistance.

2) To have an opportunity for all eligible public and private organizations and individuals to submit project applications and have them considered on an equal basis by the grantee.

3) To have an equitable distribution of HPF assistance to all population segments in the State, including minority populations as defined in 43 CFR 17, the elderly, and the handicapped.

4) To have awareness on the part of all eligible program beneficiaries of the process for obtaining HPF assistance.

c. Implementation. Each grantee is responsible for implementing its own open project selection process in keeping with its own unique circumstances. This is in addition to owner participation in the National Register process required by Section 101(b)(3)(G) of the Act. At a minimum, each grantee must maintain and utilize a written rating system for objectively rating and ranking project proposals for subgrants. Other elements could include general notice to the public when its annual grant application is being developed; making copies of the annual grant application available to the public sufficiently in advance of submission to NPS to allow for timely comment; and, where significant public interest is demonstrated, holding a public meeting for the benefit of interested or affected citizens or groups.

d. Recordkeeping. Each grantee must maintain files and records documenting implementation of its open project selection process for inspection by NPS.

6. Standards applicable to subgrantees. The award of grants to subgrantees (and contractors) who are not responsible is a disservice to the public, which is entitled to receive full benefit from the award of grants for the protection of cultural resources. It frequently is inequitable to the subgrantees themselves, who may suffer financial or other hardships as a result of inability to meet grant requirements. Such awards are unfair to other competing applicants capable of performance, and may discourage them from applying for future grants. It is essential that precautions be taken by grantees to award grants only to reliable and capable applicants who can reasonably be expected to comply with grant requirements.

To qualify a subgrantee as responsible, the State Historic Preservation Officer must ensure that a subgrantee will be provided with, or will have access to, appropriate technical and financial management assistance in order to meet and maintain, for the period of the grant award, the following standards as they relate to the scope of a particular project:

a. Have adequate financial resources for performance, the necessary experience, organization, technical qualifications, and facilities; or a firm commitment, arrangement, or ability to obtain such (including proposed subagreements);

b. Be able to comply with the proposed or required completion schedule for the project;

c. Have a satisfactory record of integrity, judgment, and performance, especially with prior performance upon grants and contracts;

d. Have an adequate accounting system and auditing procedures adequate to provide effective accountability and control of property, funds, and assets sufficient to meet grantee needs and grantee audit requirements (see Chapters 22 and 27);

e. Maintain Federal procurement standards which will comply with Chapter 17 of this Manual;

f. Maintain a property management system for the acquisition, maintenance, safeguarding, and disposition of property (applicable standards are detailed in Chapter 20);

g. Conform with the civil rights, equal employment opportunity and labor law requirements of Federal grants; and

h. Be otherwise qualified and eligible to receive a grant award under applicable laws and regulations.

NPS considers the SHPO submission of an Informational SF 424 for a proposed subgrant evidence that the SHPO has assured that these standards will be met.

7. Written subgrant agreement. Each subgrant, which includes the delegation by the SHPO of grant-assisted program responsibilities to any third party, shall be formalized by a written agreement between the grantee and the subgrantee. A written agreement shall also be executed to include arrangements whereby third parties perform activities without charge to the grantee when the value of these contributed services is to be counted towards matching share requirements for any HPF grant assistance. The term "third party" means any organization legally distinct from the grantee (whether or not affiliated with the grantee) or any individual not employed by the grantee other than a consultant or volunteer acting directly under the grantee's direction or control.

The written agreement shall at a minimum:

a. State or incorporate by reference all applicable requirements imposed by the terms of the grant on the subgrantees, contractors, and other secondary recipients under the grant, including retention of records, standards for grantee financial management systems, property, procurement standards, and applicable cost principles to be applied;

b. State the grant-supported activities transferred or the activities to be performed by the subgrantee, the time schedule for conducting these activities, the policies and procedures to be followed in carrying out the agreement, and the maximum amount of money for which the grantee may become liable to the subgrantee under the agreement.

c. Contain suitable provisions for termination by the grantee, including the manner by which termination will be effected and the basis for settlement. In addition, such agreements shall describe conditions under which the agreement may be terminated for default as well as conditions where the agreement may be terminated because of circumstances beyond the control of the subgrantee.

The written agreement shall not relieve the grantee of any part of its responsibility to the Federal Government under a grant. The agreement shall therefore retain sufficient rights and control to the grantee to enable it to fulfill this responsibility and accountability. (Refer to Chapter 28 for required documentation.)

8. Publications and public information.

a. Policy. NPS encourages, and when specified in the grant agreement or this Manual, may require, publication and distribution of reports of grant activity. The preparation, content, and editing of publications are responsibilities of the grantee. Except for specified final reports, review of publications prior to distribution will not normally be made by NPS. Grantees are expected to provide notice prior to publication of project information to the appropriate NPS administering unit. This procedure does not apply to seminars, participation on panels, financial reports, cost analyses, progress reports, final project reports, end-of-year reports, or other information necessary for grant administration.

Publications must include the nondiscrimination statement prescribed in Chapter 10, Section 5 (b).

b. Acknowledgement of support. An acknowledgement of NPS support must be made in connection with the publication of any material based on, or developed under, any activity supported by HPF grant funds. This acknowledgement shall be in the form of a statement as follows:

> The activity that is the subject of this (type of publication) has been financed (in part/entirely) with Federal funds from the National Park Service, Department of the Interior. However, the contents and opinons do not necessarily reflect the views or policies of the Department of the Interior, nor does the mention of trade names or

commercial products constitute endorsement or recommendation by the Department of the Interior.

c. Public information. Press releases, publications, and other public dissemination of information by a grantee made possible by grant assistance shall acknowledge Department of the Interior, National Park Service grant support by use of the above statement.

d. Copies of publications. Upon publication, a minimum of three copies of the publication will be furnished by the grantee to the appropriate NPS program unit. The appropriate unit will furnish two copies to the Department of the Interior's Natural Resource Library for deposit. Publications covered by this section include any publication produced as a result of research or any other work funded in whole or in part by HPF grants.

e. Exclusions. Specifically excluded from the requirements of Section E.8(d) are the following types of publications:

1) Internal documents required for administrative or operational purposes which have no public interest, or educational, scientific, or research value.

2) Classified publications and materials otherwise marked against unauthorized disclosure.

3) Tentative drafts such as preliminary planning reports that will appear later in revised or final form.

4) All disclosure materials containing any description, specification, data, plan, or drawing of any unpatented invention upon which a patent application is likely to be filed unless an opinion by the Solicitor of the Department, or his duly authorized designee, has been rendered which finds that the interests of the Government will not be prejudiced by the action called for in this section with regard to such disclosure materials.

5) Grant applications, Final Project Reports, or End-of-Year reports pertaining to grant administrative or operational activities.

In addition, copies of material produced under 8.e.4), above, must be provided to the National Park Service for forwarding to the Department's Office of the Solicitor. The National Park Service will notify grantees in writing of the Solicitor's opinion regarding disclosure of the material.

f. Publication costs. In order to be an allowable cost, except for those publications excluded in subsection 8.a, above, documents published with grant funds must have prior written approval by NPS. Publications specified in the NPS approved grant application or subsequent Project Notifications do not require separate written approval. See allowable costs detailed in Chapter 13, Sections B.32, B.37, B.41, and B.42. If such publications are sold during the project period, program income may occur (refer to Chapter 16).

9. Compliance with State Intergovernmental Review Process. State applications, completed as stated in Chapter 7, must be forwarded to the State single point of contact in compliance with the States' intergovernmental review process unless one has not been established under Executive Order 12372, Intergovernmental Review of Federal Programs. Under Executive Order 12372 each State establishes its own procedures and programs to be covered by its review. Refer to Department of the Interior Regulations, 43 CFR Part 9, published June 24, 1983, and Chapter 4 of this Manual. The SHPO must transmit to NPS all clearinghouse comments as part of its application(s) or provide a statement that no comments have been received. Regular appropriation grant applications for the National Trust shall be forwarded to the Single Point of Contact for the District of Columbia.

F. Grant Application Information and Review. This Section and Sections G and H pertain both to new grants and to Continuation Grants. Each grant application will be given an administrative review to determine the completeness of the application, compliance with application instructions, and a cost evaluation to determine whether proposed costs appear reasonable for the products to be produced.

1. Application information. All significant data and information must be disclosed in the grant application and applicable Project Notifications. Failure by a grantee to consider or reveal information that might have a significant bearing on the eligibility of a program or project may be cause for refusal, cancellation or recoupment of Federal Assistance. (Refer to Sections D.6 and D.7, above.)

2. Supplemental information. The grantee may, at any stage during the review process, be requested by telephone or in writing to furnish additional documentation clarifying information required by this Manual or otherwise necessary, in the judgment of NPS, in order for NPS to fulfill its grant review and monitoring responsibilities. The review may be suspended until the additional information or documentation is received or the application returned if such documentation is not readily available or promptly obtainable. At NPS discretion, an application will be returned: (1) when necessary information is not of the kind as to be readily available; (2) when additional information is needed for a determination of compliance with the Secretary of the Interior's Standards and Guidelines, or (3) when a delay is expected that would prevent NPS completing application review within 30 calendar days after receipt.

3. Review period. Generally within 30 calendar days after receipt of a complete grant application (excluding any periods needed for submission of supplemental information), the NPS Grant Awarding Official will approve or disapprove the application.

4. Disapproval. The grantee will be notified in writing of the reasons for disapproval or for inability to act on a submitted application. Disapproval of an application will not preclude its reconsideration as a revised reapplication. Disapproval or return of the application may result in an adjustment of uncommitted funds according to established procedures (see Section K of this Chapter).

5. Required reports for each fiscal year must be submitted and approved before NPS will begin to process materials for the next fiscal year. Therefore, the annual application will not be processed until the End-of-Year Report and Continuation Grant Application (if applicable) have been approved. An approved End-of-Year Report will be a condition of Continuation Grant awards.

G. NPS Approval via Grant Agreement. When a grant application has been judged adequate, a Grant Agreement is executed by the NPS Grant Awarding Official. This is the NPS official whose name/title appears on the Grant Agreement. The Grant Agreement is composed of three documents completed by NPS that together indicate the approval of a grant application: the Grant Agreement, which includes changes made by NPS in the submitted grant application or financial information as submitted; any special conditions accompanying approval; and the completed Standard Form 424.

Obligation of funds occurs when the Grant Agreement is signed by the Regional or Washington authorized Grant Awarding Official. The signature of the NPS Grant Awarding Official on the Grant Agreement shall constitute the signer's certification that the Grant Agreement is materially complete and that the grant application is in keeping with all applicable laws, Federal and Department regulations, and NPS program requirements. The Grant Awarding Official shall not execute the Grant Agreement unless he or she is so satisfied. (Also see Section D.10, above, Section I, below, and Chapter 5, General Condition 3.)

The signed Grant Agreement is the legal document constituting the assistance agreement between NPS and the grantee. At a minimum, the Grant Agreement must include the information listed below and stipulated in Exhibits 3-B and 3-C. The Grant Agreement for the National Trust shall specify OMB Circulars applicable to non-profit organizations. Co-signature by the grantee on the Grant Agreement is not required (see Section D.8). The Grant Agreement incorporates the general conditions applicable to all grants and special conditions applicable to the specific approved grant. Subsequent amendments to the Grant Agreement, including subsequent Informational SF 424s, do not affect general or special conditions unless expressly waived in writing by NPS.

1. Coverage of the Grant Agreement. The Grant Agreement establishes the terms and conditions of the Grant Award, including:

a. Legal name and address of the grantee agency to whom the grant is awarded.

b. Identifying grant number assigned by NPS.

c. Grant period, which specifies the length of time NPS intends to support the proposed effort, and during which costs may be charged to the grant. (See Section D.1, above, and Section G.5, below.)

d. Federal share awarded.

e. Minimum nonfederal share required.

f. Setting forth the obligations assumed by the grantee through acceptance of the Federal assistance award, including the applicability of the Federal cost principles and administrative requirements incorporated in this Manual.

g. Other information or provisions deemed necessary by NPS to carry out its granting activities or to accomplish the purpose of the grant.

The Grant Agreement is the mechanism through which the NPS accepts the work proposed to be accomplished during the term of the grant. The Grant Agreement obligates NPS to provide financial assistance up to the stipulated amount for eligible costs incurred for projects and programs, on the basis of information and cost estimates contained in the application. Unless specifically noted as approved in the Grant Agreement, no cost comprising the Federal or nonfederal share incurred prior to the approved grant beginning date or subsequent to the stipulated end date will be allowed.

If the submitted application is revised in any way by NPS, the revision must be noted on the Application and Budget Changes/Special Conditions page(s). This additional page is considered part of the Grant Agreement. (See Exhibit 3-C.)

2. Federal share. The Federal share amount obligated by the grant award shall be set forth in the Grant Agreement. The Federal share amount, not to exceed the maximum percentage specified by law (presently 70 percent of total costs for Survey and Inventory, 50 percent for all other program activity) will represent the award ceiling. The grantee must exert its best efforts to perform, or cause to be performed, the work as specified in the grant application within the approved cost ceiling. If at any time the grantee becomes aware that the costs it expected to incur in the performance of the grant will be substantially more or less than the then-approved estimated total cost, the grantee must notify the NPS Grant Awarding Official promptly in writing, and request approval of an amendment.

If a State is unable to utilize or apply for the full amount of apportioned funds, the State Historic Preservation Officer should notify NPS at the earliest possible date so that the funds can be reallocated to other States. Funds not reallocated and used within the 24-month period of availability are returned to the U.S. Treasury (see Section D.2a).

NPS is not obligated to share costs incurred in excess of any approved amounts. Grant payments will be made in accordance with Chapter 24 up to the approved amount stipulated in the Grant Agreement.

3. Nonfederal share. The nonfederal share amount must be contributed and documented in accordance with the criteria and timing stated in Chapter 14 and elsewhere in this Manual. Such cash and in-kind contributions shall be limited to assisting eligible activities specified in the application and subsequently submitted Informational SF 424s, and must be directly related to and necessary for the conduct of activities specified in these documents.

4. Total grant costs. Both the Federal share and nonfederal share detailed in the application are accepted by the Grant Agreement executed by NPS subject to the provisions of this Manual. In particular:

   a. Costs eligible for assistance shall be determined upon the basis of the criteria set forth in Chapters 6, 7, 12, 13, 14.

   b. The Grant Agreement may include the use of the indirect cost rate approved for the grantee or subgrantee by the cognizant Federal agency according to the provisions of Chapter 12.

5. Duration of grant. Funds obligated by NPS shall be available to a State or to the National Trust for expenditure during the 12-month fiscal year for which the funds were appropriated. Authorization to continue expenditures during the succeeding fiscal year (for awarded subgrants plus an amount not to exceed 25 percent of the Federal share of the regular appropriation grant) will be awarded via a Continuation Grant, providing funds are committed by the grantee in accordance with NPS procedures (see Section K, below). No HPF funds may be charged to programs or projects beyond the term of the grant period specified in the Grant Agreement.

H. Application and Budget Changes/Special Conditions. The Application and Budget Changes/Special Conditions page(s) (Exhibit 3-C), is used as an attachment to the Grant Agreement to indicate any changes made by NPS in the application submitted by the grantee. If NPS approves the application exactly as submitted, this page will not be part of the Grant Agreement.

If a specific cost, work item, or other element in the application is reduced or eliminated by NPS, the application will be approved with the revisions specifically identified on this page, and the grantee must not use funds for that purpose without prior written NPS approval.

SPECIAL CONDITIONS are used to require the grantee to submit additional necessary documentation, to execute certain specified actions, or to emphasize important requirements. The special conditions are part of the Grant Agreement and must be complied with by the grantee.

NPS determines acceptable compliance with special conditions. Grantee noncompliance may cause disallowance of incurred costs, withholding, or suspension of funds. Special conditions are in addition to General Conditions Governing Grants (Chapter 5), which apply to all grant awards, amendments, and subsequent subgrants or other agreements awarded by the grantee.

Certain special conditions shall be placed on all grants. These include the following:

1. The amounts here awarded are subject to adjustment in accordance with administrative procedures in Chapter 3 of the National Register Programs Manual.

2. An acceptable End-of-Year Report covering FY 19__ performance is due on November 1. Failure to submit this report by that date may result in suspension of funds, or other administrative action.

3. Any subsequent Project Notification (Informational Standard Form 424) for each individual subgrant to be assisted through this award shall be submitted to NPS at least 20 calendar days prior to the subgrant award.

4. The grantee must comply with the E.O. 12372 review process established by the State.

5. Acceptable Final Project Reports/Completion Reports for all subgrant projects must be submitted to NPS within 90 days of completion of each subgrant. Failure to comply will result in suspension of letter of credit and/or withholding of NPS action on Requests for Advance or Reimbursement until the delinquent reports are submitted and accepted.

6. OPTIONAL (to be used by NPS for Continuation Grants, if appropriate for an individual grantee): This award is made with the understanding that an acceptable Attachment A (or any other missing application document other than the SF 424 and the Listing of Continuing Contractual Commitments) for this grant must be submitted within 30 calendar days of this award. Failure to submit this document, or submission of an unacceptable document, may result in suspension of funds or other administrative action.

In addition, NPS will place the following statement on each Application and Budget Changes/Special Conditions page:

> The term of this grant is 12 months, from October 1, 19__ through September 30, 19__. All costs to be charged must be incurred by September 30, 19__.

I. Effect of Grant Award. The grant shall become effective in the amount of, and for the purposes stated in, the Grant Agreement at the time of execution of the Grant Agreement by the NPS Grant Awarding Official. Grant approval authorizes the grantee to proceed with the activities specified, but does not by reference make specific approval of those types of cost items which are allowable only by NPS specific approval (see Chapter 13). These types of costs must be specifically identified by the grantee in Part III, Section E, Other Budget Information, of the grant application, or by subsequent correspondence.

All funds shall be expended solely for the purpose for which the funds are granted in accordance with the approved application and budget (including subsequent Project Notifications), and in accordance with the regulations governing these grants, including the Secretary of the Interior's Standards and Guidelines, the terms and conditions of the award, the applicable Federal cost principles, and this Manual.

The award of any grant does not commit or oblige NPS to award any additional funds to cover cost overruns (see Chapter 15, Amendment and Budget Revisions), nor does the award of any grant (including a Continuation Grant) constitute an obligation to fund any subsequent budget period.

In accepting the award, the grantee agrees that it will meet the terms and conditions of the award and that it will further impose these requirements, and the terms of the NPS Grant Agreement upon any subgrantee to which funds are transferred pursuant to the Grant Agreement. The grantee also agrees that it shall be responsible for compliance with the terms of the Grant Agreement by any subgrantee, including certified local governments, and that failure by such subgrantee to so comply shall be deemed a failure by the grantee to comply with the terms and conditions of the Grant Agreement.

J. Amendments and Other Programmatic Changes. Exhibit 3-D will be used by NPS to approve grant amendments (see Chapter 15). The grantee shall submit an amendment describing any material change in the plan (grant application) or in the proposed conduct of the approved program or grant before the change is executed. All requests for changes shall be made in writing and described using the same forms as the original application; only the changed forms need be submitted with the requested change clearly explained in the "Remarks" section of the Standard Form 424 (see Chapter 15).

1. Project Notification. The award of subgrants to third parties to perform substantive programmatic work proposed in the SHPO's grant application is considered a substantive programmatic change unless the required information is submitted concurrently with the Annual or Continuation Grant. (See Chapter 15, Section F, and Chapter 7, Section E.) The Standard Form 424, Application for Federal Assistance (Exhibit 6-D), has been modified to provide basic data about the approved program carried out through subgrants necessary for NPS monitoring and for subsequent financial audit.

Subsequent substantial changes in subgrant objectives or scope of work described in Informational SF 424's shall be requested in writing by the grantee prior to effecting such changes.

2. NPS-Initiated Amendments. Grant amendments may be initiated by NPS if: a) on the basis of reports or adverse findings, it appears that HPF funds are being used for purposes beyond the scope of the approved grant application or for unauthorized purposes; b) if additional funds, previously appropriated or apportioned but unreleased, become available.

3. Amendment Special Conditions. Special conditions pertinent to approved amendments will be applied by NPS in "Additional Remarks" in the form letter or enclosed using the "Application and Budget Changes/Special Conditions" document. Such special conditions become part of the original Grant Agreement.

## K. Continuation Grant Policy.

1. General. The Continuation Grant policy recognizes that HPF subgrant work is often seasonal in nature, necessarily extending across Federal fiscal years; and recognizes that delays or uncertainties in the appropriation and grant award processes adversely affect grantee program planning and performance. The Continuation Grant is intended to have these results:

   a) Authorize grantees to carryover up to 25 percent of the regular appropriation grant to maintain staff and "in house" program operations. (The 25 percent reserve is intended to provide up to 3 months of in-house operating costs without disruption because of "late" appropriations.)

   b) Allow grantees to carryover unexpended funds from subgrants crossing Federal fiscal years.

   c) Maintain "use or lose" procedures to continue the exemplary expenditure rate performance of the HPF grant program. (Refer to Section K.6, below.)

   d) Provide an integrated grant application, accounting, and reporting system in keeping with the annual Federal appropriations system; and

   e) Provide a framework for financial management that minimizes grantee accounting problems related to the annual cost/matching share provisions of Section 102(a)(3) of the Act, as amended.

   The Continuation Grant closes out each annual fiscal year grant(s) and provides a bridge to the next, while supporting continuing program operations for up to 12 additional months. Thus the full 2 years of obligational authority provided by Federal appropriations legislation is afforded to States demonstrating immediate use of the funds apportioned to them.

As detailed in Section K, below, NPS reserves the option to adjust future years' grant awards from the subsequent appropriation for a grantee when the amount of uncommitted funds exceeds 25 percent of the amount apportioned during the fiscal year. The 25 percent does not apply to the amounts carried over in committed subgrants, summarized in the Listing of Continuing Contractual Commitments.

2. Continuation Grant application information. See Chapter 7.

3. Grantee accounting responsibilities under the Regular Appropriation Grant/Continuation Grant structure.

   a. NPS has separately categorized the 2-year "life" (or period of obligational authority) of HPF funds appropriated and awarded to grantees. The first 12 months is the regular appropriation grant; the second 12 months is a Continuation Grant. Each grant is a separate award and is issued a separate grant number by NPS. Grantees must evidence that sufficient nonfederal costs have been incurred during the fiscal year budget period to support the Federal grant costs claimed.

   b. Both the initial regular appropriation grant and the previous year continuation grant budget period coincide with the October 1 through September 30 Federal fiscal year. (See Sequence, Section D.3. above.)

   c. Grantee records of accounts are to be established on the 12-month budget period basis. However, States may apply any system which provides adequate procedures for financial management and control of funds within the provisions of Office of Management and Budget Circulars A-87, A-102, and A-123 incorporated in this Manual (or Circulars A-110, A-122, and A-123 for the National Trust). Particular attention must be accorded by States to Circular A-102, Attachment G, Standards for Financial Management Systems, and Attachment P, Audit Requirements. OMB Circulars A-110, A-122, and A-123 similarly apply to grants to the National Trust.

   d. HPF funds disbursed and nonfederal share claimed must be charged to the correct grant budget period. This applies to Federal share claimed and nonfederal share applied by the grantee organization itself and by any of its subgrantees, including universities and certified local governments. The Federal share of costs shall be charged to the fiscal year in which the costs were incurred (i.e., the fiscal year the reimbursable work was performed). Similarly, the nonfederal costs claimed shall be charged to the fiscal year the cash was disbursed or the goods or services were contributed. Therefore, each subgrant or similar agreement with third parties that authorizes costs to be incurred during more than one HPF grant period (i.e., "crosses" Federal fiscal years) should require that the subgrantee provide the grantee with appropriate documentation of the nonfederal share claimed during the fiscal year promptly after the close of the fiscal year. This will not only allow the grantee to maintain its accounts as intended by the Act, but can also serve as an early warning to the grantee of insufficient nonfederal share.

Note that per OMB Circulars A-87 and A-122 (see Chapters 12 and 13), costs incurred prior to the effective date of the grant award, whether or not these costs would have been allowable after that date, are allowable only with the prior approval of NPS, and when specifically provided for in the NPS grant agreement. This provision applies to both the regular appropriation grant and to the continuation grant.

e. Costs incurred through September 30 of each fiscal year must be billed no later than December 31 of that year.

f. Where subgrants cross Federal fiscal years, as discussed in Sections K.3(c),(d), and (e) above, and the grantee does not reimburse costs through September 30, the estimated Federal share "owed" shall be identified in the Listing of Continuing Contractual Commitments of the Continuation Grant application (see Section K.6, below). States must retain executed subgrant agreements and purchase orders verifying the Listing of Continuing Contractual Commitments, and make these available for on-site inspection by NPS or its designated representative.

g. During the Continuation Grant period funds may be transferred among subgrants by executing a properly completed Project Notification (Informational SF 424). Federal share increases must be justified by an appropriate increase in the project scope and by an adequate written explanation of the reason(s) for the increase.

4. Continuation Grant awards.

a. The grant number assigned to the regular 50/50 and 70/30 grants will be retained for Continuation Grants, but will not appear on the official Financial Status Report as a separate grant. However, for purposes of NPS fund control and accountability, the grant number appearing in the Continuation Grant approval package (grant agreement) will be modified to include the suffix "B", i.e., if the 50/50 grant number is 01-0001, the 50/50 Continuation Grant number will be 01-0001-B.

b. The deobligation and reobligation of funds procedure will only be used by NPS when awarded funds are transferred between the "70/30" and "50/50" grant components.

c. All costs incurred during each 12-month grant period must be properly documented and charged by grantees to the applicable grant period in order to comply with Section 102(a)(3) of the

Act. For example, costs incurred from October 1, 1982, through September 30, 1983, for the regular 50/50 grant must be charged to grant number 01-0001-A, and costs incurred from October 1, 1983, through September 30, 1984, for the 50/50 Continuation Grant must be charged to grant number 01-0001-B.

d. Following the award, the NPS Financial Status Report will only show the total amount apportioned to each grantee for the 24-month period of availability. The new grant number will not appear on the financial status report, but must be used by grantees to differentiate between program costs incurred in the proper 12-month grant period.

e. Grantees are required to certify the accuracy of the December Financial Status Report (mailed to States by NPS in January). Corrections will be made by NPS when justified. Unexpended funds not approved as part of a Continuation Grant will be adjusted by NPS in accordance with "use or lose" procedures (Section K.6, below).

5. Expiration of Continuation Grant obligational authority. Costs incurred after the end date of the second budget period cannot be charged to the Continuation Grant. Any unexpended funds after the second budget period (Continuation Grant Period) will be returned to the U.S. Treasury. NPS will evaluate the reasons for such returns and reserves the right to adjust future apportionments accordingly.

6. Limitation on Award of Obligational Authority.

a. General. The annual apportionment of obligational authority awarded to a grantee will not be reduced when the grantee, in accordance with procedures detailed below, has:

1) Submitted acceptable grant applications (including amendments, if necessary) accounting for all available obligational authority during the current fiscal year;

2) Submitted acceptable Project Notifications (Informational SF 424s) for all subgrants and contracts with entities outside the administrative direction of the SHPO for projects which extend beyond the fiscal year budget period;

3) Certified on its Listing of Continuing Contractual Commitments that no more than 25 percent of the annual apportionment will remain unapplied to expenses incurred during the year of apportionment or unapplied to the listed subgrants and contracts during the Continuation Grant period; or

4) Submitted by December 31 acceptable reimbursement requests and/or liquidations of advances for all funds awarded during the fiscal year of the apportionment.

b. Commitment procedures. The Continuation Grant application and the required certification statement is discussed in Chapter 7. Also see Exhibit 3-A of this Chapter for examples of Continuation Grant carryover calculations.

c. Reduction of Obligational Authority. Funds in excess of 25 percent of the total amount apportioned via the apportionment certificate executed by the Secretary of the Interior which are not committed by a grantee will revert to NPS through a reduction in the next fiscal year apportionment to the grantee. (See subsection 6.a. above for types of commitments.) In addition, if material amounts of funds are not used for the listed subgrants, obligational authority may be revoked by NPS and funds reapportioned to other eligible States whenever time constraints and administrative expenses permit.

The purpose of this adjustment action is to direct limited monies to those States most capable of making immediate productive use of available monies, and to demonstrate that funds appropriated by Congress for the HPF are in fact needed and being used promptly.

d. Schedule. The following schedule shall be maintained:

1) Amendments affecting the Federal share must be postmarked by August 31.

2) The certified Listing of Continuing Contractual Commitments must be postmarked by September 30, as part of the Continuation Grant application.

3) Requests for payments and liquidations of advance (on the appropriate forms) must be postmarked by December 31.

e. Exceptions to the 25-percent carryover limitation. Requests for waiver of the 25-percent carryover limitation may be submitted to the NPS grant awarding office, which shall forward such requests with a recommendation for approval/disapproval to Washington (ATTN: Preservation Assistance Division) for action. Grantees must provide sufficient justification and sufficient time to allow objective review and consideration. Waivers shall be approved only in compelling circumstances in which, despite due diligence on the part of the grantee the circumstances involved were beyond the control of the grantee.

EXHIBIT 3-A

## CONTINUATION GRANT
## EXAMPLES OF CALCULATIONS

Assume three different grantees with similar funding levels and that the first year's obligational authority equals the second year's level.

All carryover funds remain available to the State for 12 additional months if an acceptable Continuation Grant application is submitted and approved.

| FIRST YEAR | SECOND YEAR |
|---|---|
| Grantee I: | |
| $400,000 apportioned: | $180,000 Continuation Grant |
| $220,000 expended 9/30/84 | + |
| $ 70,000 continuing staff costs | |
| $110,000 committed to subgrants | $400,000 New obligational authority |
| Grantee II: | |
| $410,000 apportioned: | $300,000 Continuation Grant |
| $110,000 expended 9/30/84 | + |
| $100,000 continuing staff costs | |
| $200,000 committed to subgrants | $410,000 New obligational authority |
| Grantee III: | |
| $400,000 apportioned: | $320,000 Continuation Grant |
| $80,000 expended | + |
| $220,000 continuing staff costs | |
| $100,000 committed to subgrants | $280,000 New obligational authority<br>($220,000 less 100,000 which is 25% of the apportionment = $120,000 continuing staff costs exceeding 25%)<br>therefore,<br>($400,000 less $120,000 = $280,000)<br>$120,000 in excessive continuing staff costs LOST |

EXHIBIT 3-B

## GRANT AGREEMENT

(SHPO ADDRESS)

GRANT NO. ______________
(TITLE) ______________

The National Park Service has obligated, with this grant agreement, the amount of $______ in matching Historic Preservation Funds authorized by the National Historic Preservation Act, P.L. 89-665, as amended. The minimum nonfederal share required for this grant is $______. The grant application dated __________ has been reviewed and approved with any revisions to the scope of work or costs, and any special conditions detailed on the following page.

The term of this grant agreement is:

Beginning date:

Ending date:

The grant must be administered in accordance with all applicable regulations and procedures governing Federal grants; the National Register Programs Manual, particularly the general conditions governing grants, and special conditions detailed on the following page, if any. Office of Management and Budget Circulars A-87 (Cost Principles) and A-102 (Administrative Requirements) for State and local governments, particularly Attachment P, are hereby incorporated by reference into this grant. None of these funds may be used to process any grant or any contract which does not include the text of 18 U.S.C. 1913 prohibiting lobbying with appropriated funds. The text is set forth in Chapter 5 of the National Register Programs Guideline. For development or acquisition projects, the required covenant or preservation letter of agreement must be executed in such a manner as to be legally enforceable before disbursement of grant funds to subgrantees. The terms and conditions of this award shall be extended to subgrantees.

A copy of the completed Standard Form 424 is enclosed for your records.

(Signature and Title of Grant Awarding Official)

Enclosure:

__X__ SF 424
_____ Amendment and Budget Changes/Special Conditions (page 2)

EXHIBIT 3-C

## APPLICATION AND BUDGET CHANGES OR SPECIAL CONDITIONS

| NUMBER(S): | PROGRAM TITLE: | BEGINNING DATE: | ENDING DATE: |
|---|---|---|---|

GRANT AGREEMENT (page 2)

EXHIBIT 3-D

# AMENDMENT ACTION

Dear

We have received your of concerning grant number:

( ) We have amended the scope of work to conform to your SF 424.

( ) We have amended the Federal share from to .

( ) We have amended the nonfederal share from to .

( ) Pre-agreement costs for the project(s) identified below are approved.

( ) We have cancelled the project as requested.

( ) No further extension will be granted.

( ) A copy of the Standard Form 424 is enclosed for your files.

( ) Additional remarks:

Sincerely,

# INTERGOVERNMENTAL REVIEW OF FEDERAL PROGRAMS

A. Purpose. This Chapter sets forth the requirements governing grants under Executive Order 12372, Intergovernmental Review of Federal Grant Programs. Effective September 30, 1983, the Intergovernmental Review of Federal assistance activities stipulated by OMB Circular A-95 has been eliminated. The A-95 system is replaced by Executive Order 12372, which was issued July 14, 1982, and amended on April 8, 1983.

On June 24, 1983, 23 Federal agencies simultaneously published final rules to implement the Executive Order. The Department of the Interior published its rule as 43 CFR 9. HPF grants-in-aid is among the programs listed under which States may opt to use the Executive Order 12372 process.

It is the policy of the National Park Service to award grants in accordance with the process established by each State. Grantees are responsible for coordinating Regular Appropriation Grant and Continuation Grant applications with the procedures established by the State and the official designated as the State Single Point of Contact.

## B. State Implementation.

1. Under provisions of the Executive order and implementing regulations, States, in consultation with local and regional officials, are permitted to establish their own processes for review and comment on proposed Federal actions within their boundaries. The State is to establish a process by an official act of the State and identify a single point of contact for administration of the process. The Governor of the State is to inform the Office of Management and Budget (OMB) of the establishment of the State process, identify the single point of contact for the process within the State, and transmit a list of Federal programs and activities that have been selected for review within the State. Also, the Governor is to assure that decisions affecting the process and related issues have been made in consultation with local officials.

   Federal agencies have issued regulations implementing the Executive order and listing programs from which State and local officials may choose those activities that they wish to review under the State process. Federal agencies are required to provide early notice of proposed actions so that State and local officials have adequate time for review and comment under their designated State process. The framework for the review may differ somewhat in each State as long as the role of the single point of contact in channeling comments about the proposed Federal action adheres to the provisions of the Executive order and implementing regulations. The single point of contact may submit an official recommendation produced through the State process to which the Federal agency or agencies involved must respond by accommodating the recommendation, negotiating a mutually acceptable course of action, or explaining to the single point of contact why the official recommendation cannot be accommodated. If there are differing views from the official recommendation, the single point of contact must submit these along with the official recommendation. There is no requirement that these other views be responded to with an accommodation or explanation such as an official recommendation would receive.

2. The State process. The State process is the framework in which State and local officials conduct their reviews of HPF grant programs. The Federal Government has no requirements for the State process other than those outlined in Section C., below. The State process can use organizational arrangements, assignments of responsibility, and day-to-day procedures that are compatible with or part of existing State and local practices. The 43 CFR 9 regulations do not create any right or benefit enforceable at law by a party against the National Park Service.

3. The Single Point of Contact (SPOC).

   a. The Single Point of Contact is the means through which a special set of views, called a State process recommendation, is sent to the Department of the Interior. The State appoints the Single Point of Contact. If a State fails to designate a Single Point of Contact, the Department is not obligated to respond to other organizations or officials concerning process recommendation. The significance of a State process recommendation is explained in Section C.6. below.

   b. The Single Point of Contact will receive all items for review (for eligible programs selected as discussed below). There will be only one Single Point of Contact designated in each applicable State.

   c. NPS has designated bureau and regional office Intergovernmental Review Coordinators, with responsibility for liaison and communication on all matters pertaining to 43 CFR 9.3 between NPS and the State Single Point of Contact (see Section E. below).

C. State Process Review System.

1. Selection of programs and activities the State wants covered by its process. A State may choose from the list of programs determined by the Department to be eligible for coverage (see 43 CFR 9). The State sends a list of the programs and activities which it wishes to cover under its process to OMB. OMB transmits that information to the appropriate Federal agency.

   a. Following initial notification of a State's process and of the Department of the Interior programs the State has selected for review, a State may notify the Department of the Interior or NPS of changes in its selection of programs or activities at any time.

b. NPS Intergovernmental Review Coordinators are responsible for assuring that when a change is made in program or activity selections by a State, the State submits an assurance that local elected officials were consulted regarding the change.

c. If necessary, NPS may establish deadlines by which States are required to inform it of changes in their program sections. These deadlines shall be included in codified program regulations.

d. The Department of the Interior may periodically update its list of programs and activities subject to the Executive order. However, before the Department excludes a program or activity from being subject to the Executive order, it will publish a notice in the *Federal Register* proposing the exclusion and seeking public comment.

2. Use of the State process.

a. For each of the programs and activities covered by a State process, NPS will, to the extent permitted by law:

1) Use the process to determine views of State and local officials.

2) Communicate with State and local officials, through the State process, as early in a program planning cycle as is reasonably feasible to explain specific plans and actions.

b. Procedures for use of a State's process shall include consideration of the following factors:

1) Consistency with existing statutory requirements, including but not limited to the following:

a) Pursuant to Section 106 of the National Historic Preservation Act: 1) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects; 2) complying with requirements established to avoid or mitigate adverse effects upon such properties.

b) In the case of projects located in the coastal zone, as defined in the Coastal Zone Management Act of 1972, the State agency responsible for administration of the approved program for the management of the coastal zone, is given opportunity to review the project for its relationship to such program and its consistency therewith (see Chapter 5, item B.6).

c) Pursuant to Section 102(2)(C) of the National Environmental Policy Act of 1969, the appropriate State, multistate, areawide, or local agencies which are authorized to develop and enforce environmental standards are informed of, and are given opportunity to review and comment on, the environmental significance of proposed projects for which Federal assistance is sought (see Chapter 11).

d) Public agencies charged with enforcing or furthering the objectives of State and local civil rights laws are provided an opportunity to review and comment on the civil rights aspects of the project for which assistance is sought (see Chapter 10, Section C.3.b).

e) The appropriate amount of time for review is included.

2) Assurance from a State to OMB that local elected officials were consulted during the adoption of the State process.

3) Existence of procedures for notification to NPS of the programs the State wants to cover under its process.

4) Existence in the State process of a requirement whereby regional and areawide entities are notified (after notification from the Department) of a proposed action concerning a program or activity which has been selected for the State process.

3. Notice for selected programs and activities. State Historic Preservation Officers shall develop and maintain a cooperative relationship with the Single Point of Contact so that the review and comment process is timely and appropriately conducted.

a. NPS will explain to each Single Point of Contact and thereby to local officials the plans and actions for the selected programs and activities. These communications will be through the State Single Point of Contact as early in the program planning cycle as reasonably feasible. The particular event that starts the review and comment period can differ among programs and activities. NPS may also provide advance information regarding a proposed action to the State process or State and local officials before beginning the 30 to 60-day review and comment period (discussed below).

b. As a general rule, rather than publicizing in the Federal Register, NPS will, as under Circular A-95 previously, require that State Historic Preservation Officers maintain responsibility for submission of applications for review and comment to the Single Point of Contact. The Single Point of Contact transmits to NPS comments from other State agencies, Regional planning commissions/councils of government, local officials, or others. There is no Federal requirement for direct submission of applications by NPS or grantees and subgrantees to any entity other than the Single Point of Contact.

c. The State, through the State process, is responsible for notifying areawide agencies, regional agencies, and local governments. NPS may also notify the affected substate organizations, but it need not do so.

d. Comment period. HPF grant applications and applicable State plan submissions to the State Single Point of Contact may be submitted concurrently with the submission to NPS. NPS will allow State and local officials at least 30 days to review and comment on the multi-purpose grant applications for annual appropriation of funds because these applications are considered noncompetitive continuation-type grants. The shorter period, 30 days rather than 60 days, is permissible because controversy is unlikely for these actions. However, each Single Point of Contact may require additional time to review these noncompetitive grants or to review State-selected subgrants not identified in the annual grant application. NPS will accommodate such requests for additional review time, when so notified.

4. Review and comment.

a. State and local officials may send their comments on proposed HPF grant actions either to the Single Point of Contact for use in forming a State process recommendation, or directly to NPS, or to both. NPS shall consider comments that are not required to be accommodated. However, NPS is only obligated to accommodate and explain actions taken on recommendations forwarded by the Single Point of Contact, including comments from local officials.

b. The Single Point of Contact may or may not transmit a recommendation to NPS. If a recommendation is transmitted, the Single Point of Contact must forward all comments from State, areawide, regional, and local officials and entities that differ. Comments that agree with the Single Point of Contact recommendation need not be forwarded.

c. The State Single Point of Contact is not obligated to transmit comments from State, areawide, regional, or local officials and entities when there is no State process recommendation.

d. If a State process recommendation is not transmitted, the Single Point of Contact may take one of several actions: (1) forward the comments to NPS, (2) return them to the commenting parties, (3) send them to the applicant, or (4) dispose of them.

5. Notice for programs and activities not selected. If a State has not adopted a review process under the Order, or the HPF assistance activity has not been selected by the State for its process, the Secretary's Apportionment Certificate, transmitted to the Governor, may serve to notify directly affected States, areawide agencies, regional agencies, and local governments of proposed HPF grant actions. For those States, it is expected that the State Historic Preservation Officer shall, as with the previous Circular A-95 process, provide supplemental notice to directly affected States, areawide agencies, regional agencies, and local governments of proposed HPF actions. Such notices shall include a description of the proposed grant, where comments may be forwarded, and the deadline for comment. The review and comment period under these circumstances need not be the same as the review period afforded selected programs and activities in participating States (30 to 60 days), but should be as close to the same time period as is feasible. When NPS fails to accommodate comments on non-selected programs or from non-participating States, there is no requirement to provide the States with an advance notice prior to taking action on a proposal.

6. The State process recommendation.

a. A State process recommendation is developed by commenting State and local officials participating in the State process. The recommendation can be a consensus with which all the commenting parties agree, or it may represent a particular view with various commenting parties differing from that view. Further, the recommendation can be formed even though all directly affected levels of government did not comment on the proposed action. A State need not be a party to a State process recommendation.

b. A State process recommendation can also be developed on a proposed action when the program or activity was not selected for coverage under the State process. State, areawide, regional, and local officials and entities may submit comments either to the applicant or to NPS.

c. Similarly, if a Single Point of Contact is unable to submit a State recommendation, State, areawide, regional, and local officials and entities may submit comments either to the applicant or to NPS.

d. In all instances, the State process recommendation must be transmitted by the Single Point of Contact to assure NPS responsiveness.

e. While a State process recommendation could potentially be prepared on each proposed HPF action, it is expected that State and local officials will focus on those actions which have the greatest interest or concern. This emphasis on priority matters will help raise the importance of recommendations received by NPS, and will commensurately reduce the paperwork at all levels of government.

D. Federal receipt and response to State process recommendations.

1. Comments. All views and comments received on a proposed action prior to reaching a final decision will be considered by NPS. As detailed in Section C, these comments may be provided by the Single Point of Contact, by an applicant (the SHPO), or directly to NPS by any of the commenting parties.

a. In accordance with 43 CFR 9.9 (c), State, areawide, regional and local officials and entities may submit comments either to the applicant or to NPS if a State has not established a process, or is unable to submit a consensus or State process recommendation. Before acceptance of such comments, NPS procedures require verification that a State has no process or that notification was given that a State process recommendation or consensus recommendation would not be submitted.

b. Under 43 CFR 9.9 (d), State, areawide, regional and local officials and entities may also submit comments either to the applicant or to the Department if a program or activity was not selected for a State process. Before acceptance of such comments, NPS shall require verification that the program or activity has not been selected for the State's process.

c. Whether comments are provided through a Single Point of Contact by the applicant or directly to NPS, the NPS shall consider comments which are not required to be accommodated.

2. NPS Response to State Process Recommendation.

a. When a State process recommendation is transmitted to NPS through the Single Point of Contact, the NPS grant awarding official (or the Intergovernmental Review Coordinator, if a different individual) either: (1) accepts the recommendation; (2) reaches a mutually agreeable solution in the form of a compromise or alternative with the State Process; or (3) provides the Single Point of Contact with a written explanation of the decision not to accept the recommendation or not to reach an agreed upon compromise or alternative.

b. The NPS Regional Directors are designated Regional Intergovernmental Review Coordinators, having responsibility for liaison and communication within their jurisdiction for programs administered by the regional offices. As most grant actions are approved by regional offices, most NPS responses to Executive Order 12372 recommendations will also originate from Regional Offices.

c. The Intergovernmental Review Coordinator may supplement the written explanation to the Single Point of Contact by telephone, or other means.

d. In any nonaccommodation explanation under paragraph (a) of this subsection, the Intergovernmental Review Coordinator informs the Single Point of Contact that: (1) NPS will not implement its decision for at least 10 working days after the Single Point of Contact receives the explanation; or (2) the Intergovernmental Review Coordinator has reviewed the decision and determined that, because of unusual circumstances, the waiting period of at least 10 days is not feasible.

e. For purposes of computing the waiting period under 2.d.(1) above, a Single Point of Contact is presumed to have received written notification 5 calendar days after the date of mailing of the notification.

f. A copy of each written explanation of a nonaccommodation made shall be forwarded to the NPS Intergovernmental Review Coordinator, and to the Department's Office of Acquisition and Property Management at the time it is sent to the Single Point of Contact. The Office of Acquisition and Property Management shall maintain a central file of all nonaccommodations.

E. NPS Intergovernmental Review Coordinator. The Executive order requires that NPS designate program officials authorized to take the actions specified in Section D.2 above. These officials have responsibility for liaison and communication on all matters pertaining to the Executive order between NPS and the Single Point of Contact. The Washington, D.C., contact for the HPF grant program is: Chief, Grants Administration Branch, Preservation Assistance Division, National Park Service, Washington, D.C. 20240; telephone (202) 343-9570.

## GENERAL CONDITIONS GOVERNING GRANTS

A. Purpose. This Chapter summarizes the provisions of the general administrative requirements which apply to all HPF grant awards.

1. Applicability. Federal assistance awarded under the Historic Preservation Fund grant program is subject to the provisions of the National Historic Preservation Act, other Federal laws affecting grant programs, Government-wide administrative requirements and cost principles, National Park Service regulations and directives, the general conditions listed below and amplified throughout this Manual, and special conditions affixed to grant awards.

   The principal Government-wide administrative requirements applicable to grants to States are OMB Circular A-87, "Cost Principles applicable to Grants and Contracts with State and Local Governments" (incorporated in Chapters 12 and 13) and A-102, "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments." The administrative requirements of Circular A-102 are incorporated throughout this Manual.

   For grants to the National Trust for Historic Preservation, comparable Governmentwide requirements are OMB Circulars A-110, "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations," and A-122, "Cost Principles for Nonprofit Organizations."

2. Policy intent. The uniform standards and requirements included in the attachments to Circulars A-102 and A-110 replace the varying and often conflicting requirements that have been imposed by Federal agencies as conditions of grants and other agreements with recipients. The Circulars stipulate that if the enabling legislation for a specific grant program prescribes policies or requirements that differ from the standards provided in the Circular, the provisions of the enabling legislation shall govern. Except where they are specifically excluded by legislation, the provisions of the Attachments of Circular A-102 shall be applied to subgrantees or other third parties performing substantive work under grants that are passed through or awarded by the grantee if the subgrantees are States, local governments or federally recognized Indian tribal governments; the provisions of Circular A-110 shall be applied to subgrantees that are institutions of higher education and public or private nonprofit corporations. However, the HPF program-specific costs included in Chapter 13 of this Manual shall be considered binding in addition to the general costs specified in the applicable cost principles as allowable, unallowable, or allowable with NPS approval. The submission of any grant application for HPF assistance will be deemed by NPS to be the grantee's acceptance of the provisions of these Circulars and of the general conditions listed in Section B, below.

In addition, the grantee agrees, as a recipient of this assistance, that it will meet the following specific requirements and that it will further impose these requirements, and the terms of the grant agreement, upon any subgrantee to which funds are transferred pursuant to the grant agreement. The grantee also agrees that it shall be responsible for compliance with the terms of the grant agreement by its subgrantees, including local governments, private organizations, or individuals; and that failure by such government, private agency or individual to so comply shall be deemed a failure by the grantee to comply with the terms of the grant agreement.

3. Exceptions. The grantee is expected to inform NPS promptly if it has reason to believe it has failed to receive any NPS directives or any attachments to the grant awards. Several of these provisions do not represent invariable policies of NPS and grantees may request exceptions when compliance would cause unnecessary difficulties in carrying out the approved program. However, requirements found in NPS-imposed grant conditions or directives may be waived only by a written notification signed by the NPS grant awarding official. Any such waiver must be explicit. No waiver may be inferred from the fact that the grant agreement is responsive to a grant application which may have contained material inconsistent with one or more of these conditions.

4. Definitions. As used in these conditions: "Grant Program" is an overall plan for the use of Federal funds which is intended to be put into effect by the grantee through approved grant applications and Project Notifications (Informational Standard Form 424s) during the grant period.

   An "Approved grant program" consists only of those activities described in the appropriate grant application for which funding is approved by NPS and subsequent Project Notifications, and/or written NPS-approved amendment(s).

   "Total grant program funds" refers to all amounts approved for expenditure for the approved grant program, whether such amounts are derived from Federal or nonfederal sources, or whether they are provided in cash or in-kind.

5. Compliance. The States and National Trust for Historic Preservation, as grantees, are responsible for administering and monitoring their own HPF-assisted activities as well as activities performed under their subgrants and contractual agreements, including those of Certified Local Governments, to assure performance under the provisions of this Manual. HPF grant funds shall not be paid for any work or activity that does not conform to the terms and conditions of the NPS Grant Agreement, including the appropriate Secretary's Standards and the approved plans and specifications or other specified scope of work. This prohibition also applies to costs of goods and services claimed as matching share. Failure by any third party to comply with grant requirements shall be deemed a failure by

the grantee to comply with the conditions of grant assistance, and such grant funds are subject to recovery. While the contractual agreement between the grantee and any third party should include enforceable provisions allowing the grantee to recover such misapplied funds as may have been disbursed, the grantee is responsible to NPS for repayment of such misapplied funds. Grantees may, with NPS approval of an appropriate amendment request, reprogram and expend such funds for other eligible program purposes if the 24-month term of appropriation availability has not expired.

6. Certification. A grantee may be prosecuted under Federal or State statutes for any false statement, misrepresentation, or concealment made as part of a grant application or any grant-related certification required by NPS. The penalty for false certification is prescribed in 18 U.S.C. 1001.

B. General Conditions.

1. Allowable costs. Expenditures of the grantee may be charged to this grant only if they: (1) are in payment of an obligation incurred during the grant period, (2) are necessary to the accomplishment of approved grant objectives, and (3) conform to appropriate Federal cost principles (see Chapter 12; also see Chapter 13 which details allowable costs).

2. Audit. Each State will execute audits of grant expenditure records in accordance with the single audit requirements of OMB Circular A-102, Attachment P, and Chapter 27 of this Manual. Noncompliance with any of the administrative requirements of Attachment P may result in withholding of payments or other appropriate sanctions. Similar audit provisions expressed in OMB Circular A-110 apply to the National Trust.

3. Changes in scope. Grantees may not, without written approval by the NPS grant awarding official (that official whose signature/title appears on the grant award document, or his designee), make changes in the approved grant application or Project Notifications that would substantively alter the scope of work stipulated in those documents, or make any changes which might result in a deviation from the intent of the legislation that authorized the award of the grant. In the event of uncertainty, questions should be referred to the NPS grant awarding official for final determination (see Chapter 15, Amendments and Budget Revisions).

4. Civil rights. NPS grant-assisted programs and projects must be administered in conformance with the Civil Rights Act of 1964 (Public Law 88-352), as amended; 43 CFR 17, issued by the Department of the Interior; and Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against the handicapped. Title VI of the Civil Rights Act of 1964 states that no person will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise

subjected to discrimination under any program or activity receiving Federal financial assistance. Every grantee is required to submit an Assurance of Compliance (Form DI-1350, see Chapter 7, Exhibit 7-D) with its annual grant application. No grant awards may be made without an Assurance of Compliance on file. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance, this assurance will obligate the grantee, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended (i.e, the period of the preservation agreement or covenant).

5. Coastal barrier islands. The Coastal Barrier Resources Act (Public Law 97-348) prohibits any form of direct or indirect Federal assistance for projects located on a coastal barrier island. HPF grant assistance for construction (including predevelopment work) or acquisition purposes is prohibited on any coastal barrier island under the Coastal Barrier Resources Act. As of October 1, 1983, flood insurance for new construction or for substantial improvements in coastal barrier islands is prohibited. See 47 Federal Register 52388 for further information, including availability of maps identifying the Coastal Barrier Resource System.

6. Coastal Zone Management. The Coastal Zone Management Act of 1972 (Public Law 92-583, as amended, 16 U.S.C. 1451) prohibits Federal financial assistance to State or local governments which is inconsistent with the requirements of an approved coastal zone management plan. Grantees of coastal States submitting HPF grant applications must certify consistency with the appropriate State Coastal Zone Management Plan when proposed work is in a designated coastal zone. Further information may be obtained from the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, Department of Commerce, 3300 Whitehaven Street NW., Washington, D.C. 20235. Telephone: 202-634-4245. Also see 15 CFR 930, or 44 Federal Register 37142-37161, published June 25, 1979.

7. Conflict of interest. No person who is a grantee official, employee, consultant, or grantee review board member who is authorized in his/her official capacity to negotiate, make, accept, approve, or to take part in decisions regarding a subgrant, contract, subcontract, or other agreement in connection with an HPF-assisted project shall have any financial or other personal interest in such agreements if such decision can be expected to subsequently result in financial remuneration to that person. While grantees may adopt more stringent standards, the minimum standards for defining the situations in which a person shall be considered as having a conflict of interest with respect to HPF grants are defined in Chapter 3, Section C.6.

8. Conflict of interest involving current or former Federal employees. It is NPS policy that personal or organizational conflict of interest, or the appearance of conflict of interest, be prevented in the award and implementation of grants, including subgrants and

subcontracts or other subagreements which involve former and current Federal employees in the award and implementation of grants. A conflict of interest will appear to exist when grant assistance is awarded to or by a grantee and a current or former NPS employee participated in the pre-award and award process and benefits financially from the grant. Specific details are contained in 43 CFR 20.

The grantee will not use any Federal funds or funds from other sources applied as matching share to pay a fee to, or travel expenses of, current employees of the Federal Government for consultant services, lectures, attending program functions, including HABS/HAER participation, or any other activities in connection with the grant or any subagreement awarded under the grant. Grantees are to consult with NPS when the appearance of such conflicts of interest arise. This prohibition is in accordance with 18 U.S.C. 209 which stipulates that Federal employees whose employment has not terminated shall not receive supplemental compensation for their services in their capacity as Federal Government employees.

9. Consultants. States shall apply State government policies with respect to use and payment of consultant services, shall ensure that those policies apply equally to the use of consultants paid for by HPF grant funds and by other matching funds, and shall ensure that these will include, at a minimum, the standards described below. These provisions apply to the use of individual consultants by grantees and subgrantees when the consultant's fees are borne by an HPF grant or used to satisfy nonfederal share requirements of an HPF grant. They do not apply to the use of consultants whose fees are treated as an indirect cost or to the procurement of consulting services from firms or organizations whose services have been procured through appropriate procurement procedures.

   a. Documentation for use of consultants. In the absence of more restrictive statewide policies, the following will represent the minimum standards for documentation in support of the use of consultants:

      1) Evidence that the services of the consultant are needed and the need cannot be met by direct salaries provided under the grant;

      2) Evidence that a competitive selection process has been employed, appropriate to the nature and extent of services to be required and costs involved (see Chapter 17); and

      3) Evidence that the fee is appropriate considering the qualifications of the consultant, his/her normal charges and the nature of the services to be provided.

b. Written agreements. Written agreements between the parties shall be executed which detail the responsibilities, standards, and fees. The grantee shall ensure that the agreement includes the following provisions pertaining to consultant conduct:

   1) A consultant shall not use his/her position for the actual or apparent purpose of private gain other than payment for services rendered for himself/herself or another person, particularly one with whom he/she has family, business, or financial ties (see Section B.7, above).

   2) A consultant shall not convey inside information that has not become part of the body of public information and that would not be available upon request, directly to any person for the purpose of private gain for himself/herself or another person, particularly one with whom he/she has family, business, or financial ties.

   3) A consultant shall not, either for or without compensation, engage in teaching, lecturing, or writing that is dependent on information obtained as a result of his/her employment with the grantee, except when that information has been made available to the general public or will be made available upon request, or when the SHPO gives written authorization for the use of non-public information on the basis that the use is in the public interest.

c. Consulting fees paid by grantees and subgrantees to their own employees.

   1) Faculty members of colleges and universities. Charges representing extra compensation above base salary paid by an educational institution to a salaried member of its faculty for consulting work are allowable as an HPF grant cost in accordance with Section J.7 of OMB Circular A-21, Cost Principles for Educational Institutions.

   2) All other cases. Consulting fees paid in addition to salary by grantees or subgrantees to individuals who are also their employees may be charged as Federal or nonfederal share only when:

      a) The policies of the grantee or subgrantee permit such consulting fee payments to its own employees regardless of whether Federal grant funds are involved;

      b) The work involved is clearly outside the scope of the person's salaried employment; and

      c) It would be inappropriate to compensate for the additional work by paying additional salary to the employee.

3) Approved documentation. Consulting fees subject to subsection c. must be specifically authorized in writing by the SHPO and maintained as part of project records.

d. Compensation limits for consultants. Refer to Chapter 13, Section B.39, professional and consultant service costs.

10. Contingent fees. No person, agency, or other organization may be employed or retained to solicit or secure a grant or contract upon agreement or understanding for commission, percentage, brokerage, or contingent fee. For breach or violation of this prohibition the Federal Government shall have the right to annul the grant without liability or, at its discretion, to deduct from the grant or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as may be legally available.

11. Convict labor. In accordance with Executive Order 11755, no person undergoing a sentence of imprisonment at hard labor shall be employed on any HPF-assisted grant work. (Labor performed by State prisoners who are on work release, parole, or probation does not fall under this prohibition.)

12. Covenant or letter of agreement requirements. Grantees are responsible for ensuring that covenants and preservation agreements are executed prior to disbursement of funds to subgrantees. Covenants and preservation agreements must be written in such a manner that they will be legally enforceable by the State (see Chapter 6).

a. Grantee monitoring responsibility. Grantees are responsible for monitoring covenants or letters of agreement throughout the duration of the required term.

b. Nullification of required covenants. Neither the grantee nor any subgrantee property owner will have the right to repay the amount of Federal funds received in order to nullify the required covenants attached to the property deed. Even with the addition of a penalty fee, the concept of nullifying or buying back the Federal interest in preserving a historic property is fundamentally inconsistent with the intent of the Act.

c. Revisions to required covenants. Covenants may only be revised when the conditions described in Chapter 6, Sections E.10 l. and m. exist.

13. Disclosure of information. Financial records, supporting documents, statistical records, and all other records pertinent to a grant provided by NPS are subject to disclosure to others under the Freedom of Information Act, 5 USC 552 (see Chapter 3, Section D.7).

14. Discrimination in employment prohibited. In all hiring or employment made possible by or resulting from grant awards, each employer (1) will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin, and (2) will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, age, or national origin. This requirement applies to, but is not limited to, the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. (See Chapter 10.)

    The grantee and its subgrantees will comply with all applicable statutes and Executive orders on equal employment opportunity, and grant awards will be governed by the provisions of all such statutes and Executive orders, including enforcement provisions, as implemented by, but not limited to, Department of the Interior Policies, published in 43 CFR 17. (Also see Chapter 19.)

15. Dual compensation. If an HPF grantee or subgrantee staff member or consultant is involved simultaneously in two or more projects supported by any Federal funds, and compensation on either project is based upon percentage of time spent, he or she may not be compensated for more than 100 percent of his/her time from any Federal funds during any part of the period of dual involvement.

16. Energy conservation. Grantees must promote and achieve energy conservation in their HPF grant operations. Grantees must utilize to the maximum extent practicable the most energy-efficient equipment, materials, and construction and operating procedures available.

17. Environmental impact. The National Environmental Policy Act of 1969, Public Law 91-190, as amended, 42 USC 4321 et. seq., established national policy goals and objectives for protecting and enhancing the environment. The provisions of this law are applicable to activities supported in whole or in part through HPF grants (refer to 40 CFR 6 and Chapter 11).

18. Examination of records. The Secretary of the Interior and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of financial or programmatic audit and examination to any books, documents, papers, and records of the grantee that are pertinent to the grant at all reasonable times during the period of retention provided for in OMB Circular A-102, Attachment C, or until all claims or audit findings have been resolved. OMB Circular A-110, Attachment C, applies to the National Trust. (See Chapter 28.)

19. Extensions of time. No extensions of time to incur costs beyond the period of appropriations availability will be authorized.

20. Flood insurance. The purchase of Flood Insurance required by Section 102(a) of the Flood Disaster Protection Act of 1973 (Public Law 93-234, 87 Stat. 975) is applicable to acquisition or development projects. The amount of insurance required is the total cost of the insurable improvement (excluding uninsurable facilities, such as bridges, dams, underground structures, and excluding the cost of the land), or the maximum limit of coverage made available to the grantee under the National Flood Insurance Act, whichever is less. The required insurance premium during the grant period is an allowable cost. The term of the insurance coverage will be for the length of the economic or useful life of the property as defined, for the purposes of the HPF program, by the term of the maintenance and administration covenant requirements. Whenever flood insurance is available to cover a facility during construction the participant will obtain such coverage as soon as the facility becomes insurable. Coverage is usually available as soon as construction progresses beyond the excavation phase. Where a project includes an insurable improvement only as a small and incidental portion of the total project, flood insurance is not required if the value of the insurable improvement is less than $10,000. An example would be a combination project of which the total project cost of $100,000 includes only $5,000 for insurable improvements. Flood insurance is not required on any State-owned property that is covered under an adequate State policy of self-insurance satisfactory to the Federal Emergency Management Agency. The States currently approved for self-insurance on State-owned properties (Florida, Georgia, Maine, and Oregon) are listed in 44 CFR 75.

    Information concerning the applicability of this law to specific projects is obtainable from the Federal Emergency Management Agency, Federal Insurance Administration, Office of Flood Insurance, Washington, D.C. 20472 (telephone 1-800-638-6620). Refer to program guidelines in 44 CFR 59 et seq.

21. Flood plain management. The grantee will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards; Executive Order 11288, relating to the prevention, control, and abatement of water pollution; and Executive Order 11990 relating to protection of wetlands (see Chapter 11).

22. Geographical distribution. Grantees will attempt a fairly even geographical distribution of grant-in-aid funds throughout the State, in order to encourage statewide grant-supported preservation activities.

23. Handicapped requirements.

    a. Nondiscrimination on the basis of handicap. Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112, as amended, 29 U.S.C. 794 et. seq.) requires that no qualified handicapped individual is solely, by reason of handicap, excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving Federal financial assistance. HPF grantees must operate their HPF-assisted program so that the program, when viewed in its entirety, is readily accessible to and usable by qualified handicapped persons. However, this requirement for program accessibility does not necessarily require a grantee or subgrantee to make each of its existing historic properties or every part of a particular historic property accessible to and usable by qualified handicapped persons. Methods of achieving program accessibility for the HPF grant program are listed in 43 CFR 17.260, as well as a waiver procedure. In addition, no qualified handicapped person shall, on the basis of handicap, be subjected to discrimination in employment under the HPF program. For definitions and further guidance, see 43 CFR 17.200 et. seq. (Also see Chapter 10.)

b. Physical accessibility for the handicapped. The Architectural Barriers Act of 1968, as amended (Public Law 90-480, 42 U.S.C. 4151 et. seq.), and Section 502 of the Rehabilitation Act of 1973 (Public Law 93-112, as amended, 29 U.S.C. 792), require that buildings designed, constructed, or altered with Federal assistance be made accessible to the physically handicapped. These Acts also require that public conveyances, including rolling stock, procured with the assistance of Federal funds be readily accessible to, and usable by, physically handicapped persons. While these provisions are usually not applicable to private residences, all buildings or facilities owned or occupied by SHPO offices, which are intended to be accessible to the general public, and which receive HPF grant assistance must comply with the Architectural Barriers Act and the standards issued pursuant to that Act. (Refer to 36 CFR 1150 and 36 CFR 1190, and see Chapter 10, Section C.8-10.)

Minimum standards for facilities used by the handicapped are contained in "Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped" published by the American National Standards Institute (see 41 CFR 101-19.6). These minimum standards must be included in the specifications for any HPF-funded construction grant to the maximum extent possible (consistent with the Secretary's Standards for Historic Preservation Projects). The grantee is responsible for conducting on-site inspections to ensure compliance with these specifications by any contractor performing construction work under the grant, and must address compliance with these standards (when applicable) in the completion report submitted to NPS.

24. Hatch Act. No officer or employee of the State whose principal employment is in connection with any activity which is financed in whole or in part with grant assistance shall take part in any of the political activity proscribed in the Hatch Political Activity Act, 5 USC 1501, et. seq., as amended, with its stated exceptions.

25. Lead-based paint. Section 401 of the Lead-Based Paint Poisoning Prevention Act (Public Law 91-695, 84 Stat. 2078, as amended by Public Law 93-151, 48 U.S.C. 4801 et. seq.) prohibits the use of lead-based paint in residential structures constructed or rehabilitated with Federal assistance. Grantees shall include provisions in all contracts and subgrant agreements for construction work prohibiting the use of lead-based paint. Such paint is defined in 24 CFR 35.63 as "any paint containing more than six one-hundredths of one percent lead by weight in the total nonvolatile content of the paint or the equivalent measure of lead in the dried film of paint already applied."

26. Limitations on expenditures. (1) Expenses charged against program funds may not be incurred prior to the effective date of the grant agreement or subsequent to the grant agreement end date, and may be incurred only as necessary to carry out the purposes and activities of the approved grant agreement. (2) Such expenditures may not exceed the maximum limits shown on the grant approval documents, or amendments subsequently approved by NPS. (3) Cash advances must be disbursed by grantees as closely as is administratively feasible to receipt of funds. (4) The grantee assumes fiscal liability, without recourse to NPS, for all commitments that exceed the funds provided in the grant agreement.

    The portion of the total expenditures of the approved grant derived from nonfederal sources, valued in accordance with OMB Circulars A-102 or A-110 (whichever is applicable), must not be less than the minimum percentage of the total funds required for the approved grant(s). All expenses incurred for the approved grants must be supported by approved contracts, purchase orders, requisitions, bills, or other evidence of liability consistent with the grantee's established purchasing procedures and generally accepted accounting principles. Expenses charged against grant funds must be incurred only for eligible costs in accordance with NPS directives and this Manual. Liabilities of the grantee or its subgrantees to third parties as a result of termination action which are costs of phasing out in accordance with NPS directives or are specifically approved will be considered proper expenditure of grant funds. NPS will determine the disposition of unexpended funds at the expiration of the grant.

27. Lobbying with appropriated funds. Historic Preservation Fund grants must conform to provisions of 18 USC 1913: "No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or its

Departments or agencies from communicating to Members of Congress at the request of any Member, or to Congress through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business." Thus, costs associated with activities to influence legislation pending before the Congress, commonly referred to as "lobbying," are unallowable as charges to HPF-assisted grants, either on a direct or indirect cost basis. For nonprofit organizations, see Chapter 13, item D.26.

28. Noncompliance. In addition to such other remedies as may be provided by law, in the event of noncompliance with any grant conditions, (a) a grant may be terminated or annulled pursuant to OMB Circular A-102, Attachment L, or OMB Circular A-110, Attachment K for the National Trust; (b) grant-assisted work may be suspended pursuant to these OMB Circulars; (c) payment otherwise due to the grantee of up to 10 percent of the grant amount may be withheld; (d) an injunction may be entered or other equitable relief afforded on behalf of the United States by a court of appropriate jurisdiction; or (e) such other administrative or judicial action may be instituted as may be legally available and appropriate.

29. Political activities. No expenditure of grant funds may be made for the use of equipment or premises for political purposes, sponsoring or conducting candidate's meeting(s), engaging in voter registration activity or voter transportation activity, or other partisan political activities.

30. Project signs. A project identification sign will be displayed in a prominent location at each project site while project work is in progress. The sign must identify the project and the Department of the Interior, National Park Service grant support. This provision may be waived by written NPS approval if the SHPO determines that this requirement would create a risk of destruction or harm to the site. A permanent sign is not required. (See Chapter 6, Section D.8.b.(14).)

31. Public access to grant-assisted properties. For properties assisted with HPF grant funds, where interior public access provisions are required, and which are not regularly open to the public on a continuing basis, the property must be open to the public no less than 12 days a year on an equitably spaced basis and at other times by appointment. Grantees will require owners of these properties to publish notification giving dates and times when the property is open to the public. This notice will be published in appropriate sections of a general circulation newspaper covering the community or area in which the property is located. Annual documentation of such notice will be maintained by the State Historic Preservation Officer during the term of the covenant or preservation agreement. This documentation will be available for NPS review. The grantee is responsible for including this requirement in any covenant or preservation agreement, and for keeping such documentation on file.

32. Religious institutions. Direct financial assistance for church-owned property is not allowable. See Chapter 6, Section D.5.

33. Relocation assistance. Grantees must comply with the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. 4601 et. seq.) which provide for fair and equitable treatment of persons displaced as a result of Federal and federally assisted programs (see Chapter 21 of this Manual).

34. Reports, records, and inspections. The grantee will submit financial, program, and other reports as required by NPS, and will maintain such property, personnel, financial, and other records and accounts for all grant funds. The grantee, its subgrantees, and contractors will permit onsite inspections by NPS representatives, and will effectively require employees and review board members to furnish such information as, in the judgment of NPS representatives, may be relevant to a question of compliance with grant conditions and directives on the effectiveness, legality, and achievements of the program.

35. Safety precautions. NPS assumes no responsibility with respect to accidents, illnesses, or claims arising out of any work performed under a grant-supported project. The grantee is expected to take necessary steps to insure itself and its personnel and to comply with the applicable local, State, or Federal safety standards, including those issued pursuant to the National Occupational Safety and Health Act of 1970 (see 20 CFR 1910).

36. Site supervision. Grantees must assure that competent and adequate architectural, engineering, and archeological supervision and inspection is performed at grant-assisted construction sites and ensure that the completed work conforms with the approved plans and specifications and the Secretary of the Interior's Standards.

37. Special conditions. The terms of the grant award may include standard and special provisions, appearing on each Grant Agreement, that are considered necessary to obtain the objectives of the grant, facilitate post-award administration of the grant, conserve grant funds, or otherwise protect the interest of the Federal Government. Grantee noncompliance may cause disallowance of incurred costs.

38. Timeliness of project work. The grantee will cause work on any project to be commenced within a reasonable time after NPS concurrence with the Project Notification, and costs may not be incurred beyond the end date of the HPF grant or continuation grant. Once HPF funds are disbursed for a project, grantees will complete the project according to the proposed scope of work, unless a scope of work amendment is approved, in writing, by the NPS grant awarding official. (See OMB Circular A-102, Attachment I, or OMB Circular A-110, Attachment H, for the National Trust.)

39. Travel allowances. All grantees and subgrantees are required to follow the travel policies set forth in the Standardized Government Travel Regulations (SGTR) (see 41 CFR 101-7). Subgrants, subcontracts, and consultant agreements will not exceed these standard rates. However, when a grantee or subgrantee has existing travel policies that are more restrictive than those in the SGTR, or when the grant agreement contains more restrictive limitations, the more restrictive policies are to be followed. The cost principles delineated in the applicable Federal regulations governing travel costs must be followed. (See Chapter 13.)

40. Unobligated funds. Whenever any portion of any allocation to any grantee has not been used for the purposes provided for in the Act, regulations, or grant agreeement, and has not been approved by the NPS for transfer to another subgrant project during the period in which such allocation is available to the grantee for obligation, a sum equal to such portion may be deducted from the next apportionment of funds to that grantee (see Chapter 3).

41. Violating facilities. The grantee will ensure that the facilities under its ownership, lease, or supervision that will be utilized in the accomplishment of any Historic Preservation Fund grants, contracts, or subcontracts of $100,000 or more are not listed in the Environmental Protection Agency's list of Violating Facilities (see 40 CFR 15). Grantees must promptly notify NPS of the receipt of any communication from the EPA indicating that a facility to be utilized in any such project is under consideration for listing by EPA.

## GRANT ASSISTED PROGRAM ACTIVITIES

A. Purpose. This Chapter describes program activities eligible for HPF grant assistance to States, organized according to "Program Areas," in accordance with the State Historic Preservation Officer responsibilities specified in Section 101(b)(3) of the Act. Functional categories of assistance to the National Trust are described in Section G of this Chapter. Except as may be required by Federal legislation or NPS administrative policy, requirements and guidelines will no longer be supplied annually by the NPS. To the extent possible, new requirements shall refer to, expand, or revise activities described in this Chapter. The Program Areas are: 1) Administration; 2) Review and Compliance; 3) National Register; 4) Preservation Tax Incentives; 5) Survey; 6) Planning; 7) Local Government Certification/Pass-Through; 8) Development (Grantee Activities and Subgrants); 9) Acquisition; 10) Covenants and Letters of Agreement; and 11) Other Program Activities. Chapter 6 is to be used in conjunction with Chapter 7 which relates the Program Areas to the grant application. In addition, eligible activities must also be allowable in accordance with applicable Cost Principles (Chapter 12) and Standards for Allowabililty of Costs (Chapter 13).

B. Applicability. An activity is either eligible or not eligible for HPF grant assistance regardless of whether it is conducted by personnel under the supervision of the State Historic Preservation Officer, or delegated by contract, subgrant, or cooperative agreement to other State agencies, local governments, public or private organizations, or individuals. As a general rule, eligible HPF-assisted State activities must directly relate to the identification, evaluation, or protection of historic and archeological resources. More specifically, eligible activities must pertain to the accomplishment of the State Historic Preservation Officer responsibilities described in the Act (see Chapter 1) and further defined in this Chapter.

C. Conducting HPF Eligible Activities. Activities that are otherwise eligible must be conducted in accordance with Federal fiscal, program, and project standards in order to remain allowable. The minimum standards for all projects involving the three general types of resources (historical, architectural, and archeological) are described in part below. More detailed information may be found in the Secretary of the Interior's Standards for Archeology and Historic Preservation.

1. General

   a. Minimum standards. To be allowable, all otherwise eligible activities must be conducted in accordance with the Secretary of the Interior's Standards for Archeology and Historic Preservation.

   b. Professional qualifications. All identification, evaluation, and protection activities are to be conducted under the supervision of a qualified professional. "Supervision" is the responsibility for directing the on-going work of the subgrant or project. For minimum professional qualifications see the Secretary of the Interior's Standards for Archeology and Historic Preservation.

2. Archeological resources. The grantee is responsible for ensuring that all archeological investigations conducted with HPF assistance or claimed as nonfederal matching share conform to the following:

   a. Reports and other documentation.

      1) Appropriate site inventory forms, maps, sketches, profiles, and field notes must be completed to record information about the archeological site(s) being investigated and the methods and techniques being employed.

      2) Copies of the site inventory forms must be provided to the SHPO.

      3) A written report (of all results of the investigation) that meets contemporary professional standards and the requirements of Chapter 25 of this Manual must be prepared, and copies provided to the SHPO and made available to other potential users, upon request.

      4) For any subsequent phase involving development work on the site, the grantee will briefly summarize in the subsequent Project Notification (Informational SF 424) pertinent archeological information developed as a result of the investigation or testing of the site.

   b. Curation.

      1) Archeological collections and accompanying data and records must be curated in a repository meeting contemporary professional standards and the Secretary's Standards for Archeology and Historic Preservation. When archeological collections are to be removed from State, county, municipal, or private property, negotiated arrangements must be made for permanent curation of the collection.

      2) Such arrangements are to be negotiated among the property owner, the SHPO, and the principal investigator prior to project approval by the grantee.

      3) Curation or exhibition of artifacts or other materials is an eligible activity only during the period of the HPF-assisted development project.

c. Access. Archeological collections and accompanying data and records must be made available for scholarly research by qualified professionals for use in future research, interpretion, preservation, and resource management needs. If appropriate, collections should be made available to the public through museum display or other means (see Chapter 13, items B.18 and D.31).

Subsections 3 and 4 below apply to development activity (see Section E.8 below), or nonconstruction activity such as predevelopment work; they also pertain to activities not eligible for HPF assistance such as Section 106 documentation for mitigation purposes or scholarly research.

3. Architectural and Historical Resources.

a. Documentation. Careful study and evaluation should precede any potentially destructive intrusion into the building materials of a historic property, and non-destructive methods must be used wherever possible. Architectural and historical documentation must be completed prior to State approval of any construction phase of planned development work.

Architectural investigations and the preparation of historical documentation must be supervised by professionally qualified individuals (see 36 CFR 61 for professional staff requirements).

b. Documentation to HABS/HAER standards. Grantees should consider preparing architectural and engineering documentation in accordance with HABS/HAER standards and guidelines, which are referenced in Section E.11.g. below. (Note: Historical, architectural, and photographic documentation not completed to HABS/HAER standards cannot be included in the HABS/HAER collection at the Library of Congress, and may not comply with emergency mitigation procedures under Section 106.)

While documentation to HABS/HAER standards is not mandatory for HPF-assisted development projects, it includes the following:

1) Measured drawings and large format photographs to record the building or structure, and to accurately portray the plans, elevations and sections. For certain unusually large or complicated historic properties, photogrammetry may be helpful in recording unusual, irregular, or complex features.

2) Written documentation which determines the significance of the structure through primary sources and analysis. The research should address the construction and appearance of the structure and change to it.

c. The historic setting. The historic setting should be preserved in a manner commensurate with its significance as an integral part of a National Register property. A conscientious effort should be made to prevent intrusion upon the historic scene by uncharacteristic visual, audible, or atmospheric elements. In addition, the effect upon the present natural, social, economic, cultural, and aesthetic environment caused by a historic preservation project must be thoroughly considered.

4. Historic Structure Report for Architectural and Historical Resources. The historic structure report is used to analyze the structure, to establish preservation objectives for the property, and to schedule the accomplishment of these objectives. The applicability of the various areas for research and analysis will vary, depending upon the preservation objectives and the physical condition of the historic property.

A historic structure report is required when an HPF grant-assisted rehabilitation, restoration, or reconstruction project involves fabricating significant missing architectural or landscape features, recapturing the appearance of a property at one particular period of its history, or removing possibly significant later additions. The historic structure report must be completed prior to the preparation of an application by the subgrantee requesting HPF grant assistance for such development work. The construction phase of planned development work shall not be approved by the State until the required documentation has been satisfactorily completed. (See Exhibit 6-E for recommended format of the historic structure report.)

5. Project Notification (Informational 424).

a. Purpose. The Project Notification provides specific information relevant to a State's approved regular appropriation or Continuation Grants, to assist NPS and grantees in monitoring the commitment of HPF monies to subgrantees and full compliance with this Manual and applicable regulations. In addition, NPS may use this process to compile statistical reports, or to respond to inquiries from the Congress, the Department, other Government agencies, or the public.

The Informational SF 424 is not used by the NPS in the obligation of funds process and need not be submitted concurrently with the annual or continuation grant applications. In addition, unless required by State procedures, the Informational SF 424 is not required by NPS to be submitted to the E.O. 12372 (formerly A-95) Intergovernmental Review process.

Grantees may not proceed with any subgrant activity until the period for NPS review of the Informational SF 424 has elapsed. See subsection C.5.d. below.

b. Applicability and scope: Grantees shall be required to submit an Informational SF 424 to NPS as a condition of the grant award, as follows:

1) For each project or subgrant (including subgrants to Certified Local Governments) involving HPF assistance to a third party;

2) For each project or subgrant (including subgrants with CLGs) with third parties whose costs are being used to meet matching share requirements, even though no HPF assistance has been awarded to the third party;

3) When transferring the actual performance of substantial programmatic work to a third party by contract or other means;

(The term "substantial programmatic work" means any activity which is central to carrying out the purpose of the grant as a whole or as a specific project.)

4) For SHPO-operated construction work.

The term (project period) for subgrants, contracts, or projects should not exceed the term of the grant under which the subgrant is made and for which the grantee has obligational authority. Because the period of obligational authority is usually 12 months, grantees should award funds to subgrants or contracts with logical units of work that can be accomplished or completed within the term of the grant so that available funds are expended during the annual grant period.

Informational SF 424s are not applicable to the purchase of supplies, materials, or equipment for the SHPO office; the acquisition of general or incidental support services; obtaining advice; or the transfer of activities whose costs are treated as indirect costs.

c. Forms and instructions. The Informational SF 424 Form, reproduced as part of Exhibit 6-D, must be used by grantees for the purposes described above. Also, see Exhibit 6-D for instructions on how to complete Informational SF 424s.

d. Procedure. This subsection provides schedules and procedures for the Informational SF 424 review.

1) An Informational SF 424 shall be submitted by the grantee to the appropriate NPS Regional Office at least 20 calendar days prior to the grantee awarding the subgrant or contract. Incomplete or otherwise unacceptable Informational SF 424s returned to a grantee by NPS within

the 20-day review period must be completed and resubmitted by the grantee, thereby initiating a new 20 calendar day review period, before projects may proceed.

2) The NPS review shall include, to the extent allowed by the limited data required for the Informational SF 424:

   a) an administrative review to determine whether proposed work elements and associated costs appear to be reasonable, applicable, and allowable, and to ensure completeness of the submitted document; and

   b) a review of the proposed objectives and work elements for eligible activities and for compliance with the applicable Secretary of the Interior's Standards.

3) Grantees may proceed with subgrant activity 20 calendar days after submitting the acceptable Informational SF 424, except as noted in subsections 4 and 5 below. However, absence of a response from NPS during this period does not relieve the grantee of the responsibility to comply with the terms and conditions of the grant under which the subgrant is awarded.

4) Exceptions.

   a) Written NPS concurrence on the Informational SF 424 is required for all subgrants, contracts, or projects affecting National Historic Landmarks; and

   b) Written NPS approval must be obtained before incurring costs for proposed work requiring prior NPS approval, including preagreement costs. (See Chapter 13, Standards for Allowability of Costs.)

5) Disagreement. NPS shall notify the grantee in writing within 20 calendar days after the submission (postmarked date) of the Informational SF 424 of any reasons for disagreeing with the project, based on the review described in subsection 2 above. States may then either change the project to respond to the NPS comments, or proceed at their own risk.

6) An Environmental Certification or Environmental Assessment must be submitted with the Informational SF 424, when applicable (see Chapter 11).

D. Activities Applicable to Multiple Program Areas. This Section describes activities which may be accomplished with HPF assistance and which may be directly related to more than a single Program Area.

1. Technical Assistance. Technical assistance is an eligible activity integral to all Program Areas. It is the development of skills or the provision of knowledge of the background, meaning, operation, or implications of some aspect of the State's HPF grant-assisted program. This term refers to the SHPO staff assistance to any entity that is not a part of the SHPO's HPF-assisted staff; e.g., subgrantees, local governments, State or Federal agencies, the public, etc.

   Issuance of previously prepared materials, by itself, does not constitute technical assistance (this would be public education); there must be some significant action added. For example, mass mailings of brochures, forms, or publications are not considered technical assistance because they do not require delivery of technical information beyond the content of the publication. Answering an inquiry on how to complete a survey form or a detailed discussion on mortar analysis would constitute technical assistance. For subgrantees, assistance that strengthens their capacity to plan, implement, evaluate, and manage their subgrants would qualify as technical assistance when the assistance is substantive as described above.

2. Revolving Fund subgrants. Subgrants involving a revolving fund mechanism, unless otherwise prohibited by congressional appropriation language, are allowable as acquisition, development, or as a nonconstruction activity. Broadly defined for preservation purposes, a revolving fund is cash or other equities, a line of credit, or any combination of these owned and administered by a local or statewide nonprofit structures. It can be cash lent by a nonprofit organization to individuals or organizations for the same purpose. All proceeds from rental, sales, interest, and dividends must be returned to the fund in order to replenish it.

   Local or statewide organizations engaged in revolving fund activities not associated with a particular acquisition project or development project may be eligible for HPF assistance (see the Program Area "Other Activities", E.11 below). Grantees are cautioned that all requirements governing subgrants/grants are applicable. That is, the activities for which the HPF assistance is provided to the revolving fund organization must be specified in the subgrant agreement and included in the Project Notification (Informational SF 424) to NPS. An activity that is ineligible for grant assistance when carried out by the SHPO organization is equally ineligible for HPF assistance (or matching share) if performed by any other entity.

   Grantees may assist an organization utilizing a revolving fund mechanism either through a regular acquisition or development project or as a nonconstruction activity by providing HPF assistance for the start-up or staffing costs associated with establishing a statewide or local organization using a revolving fund in its activities.

The costs associated with establishing the revolving fund are subject to the requirements described in Chapter 12 (Cost Principles) and Chapter 13 (Standards for Allowability of Costs). Grantees must review and evaluate detailed descriptions of each proposal involving a revolving fund mechanism, particularly for the appearance of conflict of interest or undue enrichment.

Grantees must secure NPS written concurrence prior to awarding HPF grant assistance to any revolving fund organization. NPS will review, in conjunction with the Department of the Interior's Solicitor's Office, the planned participation by the State in a revolving fund on a case-by-case basis to ensure that the "rollover" of the revolving fund is properly addressed. The Project Notification must clearly specify that a revolving fund mechanism is involved. To allow for appropriate legal review, additional time beyond the ordinary 20-day review period may be required by NPS for Project Notifications involving revolving funds, but such review will not exceed 60 days. Subsequent legal review is not required after the initial legal review where there is no change in proposed grant-assisted work.

National Park Service approval of the annual grant application or the continuation grant application does not constitute concurrence unless the NPS Grant Agreement specifically refers to the revolving fund project described in the application.

3. Public Participation. This term applies to the input of local citizens in the planning process leading to the formal funding application, including consideration of environmental and other possible effects. The term includes activities directly related to involving the public in the identification, evaluation, or protection of a historic or archeological resource. The functioning of the grantee's Open Project Selection process is an element of public participation (see Chapter 3, Section E.5). Other elements may include: the development of a public participation program/plan that provides an opportunity for citizens to participate in the development of the annual HPF grant application and/or provides citizens with adequate information concerning program purposes and funding requirements; provides for public meetings or hearings to obtain the views of citizens on the substance of the program; and/or provides an opportunity to submit comments.

4. Public Education. This term applies to the provision of information, techniques, processes, requirements, etc., concerning the elements of the National Historic Preservation Act and the State and local programs operated under its provisions. Activities that provide public information, education, and training directly related to Federal, State, or local government historic preservation programs are eligible. In addition, refer to Chapter 13 for applicable allowable costs, specifically items B.38, B.45, and B.55.

5. Grant assistance to Churches and Church-owned Property. Direct financial assistance to active churches is not allowable. However, indirect assistance that does not involve direct Federal financial assistance to the church and that is carried out in the same manner as it would be for a secular property is allowable. The church property which is the subject of the indirect assistance must meet criteria for historic, architectural, or cultural values based on intrinsic historic qualities irrespective of its strictly religious (spiritual) connotations or values. Examples of allowable indirect assistance are: nominations to the National Register of Historic Places; technical assistance for restoration of church-owned historic resources. Acquisition or development costs would not be allowable.

E. Program Areas. This Section describes each Program Area and lists activities eligible for HPF grant assistance. In addition to the following, grantees must also refer to The Secretary of the Interior's Standards for Archeology and Historic Preservation; matching share requirements, Chapter 14; amendment requirements and procedures, Chapter 15, and Final Project Report requirements, Chapter 25. Also refer to the Glossary for definition of terms.

1. Administration. Activity directly pertinent to budget formulation and execution, personnel management, finance, property management, equal opportunity and other "overhead" functions not directly attributable to the Program Areas described below. Other overhead activities which support all Program Areas and should be charged to this Program Area include, but are not limited to, the following:

   a. Preparation of personnel payroll.

   b. Audits.

   c. Collection, storage, and retrieval of management information when such activities are not part of a specific project, but are a means of central administrative control.

   d. Administrative and support services (parallel to those listed above) not directly related to the functioning of the State Review Board.

   e. Other eligible services or activities that are required by Federal or State law or regulation which are pertinent to central direction, monitoring, reporting, and management support of the Program Area activities described in this Chapter.

2. Review and Compliance. Activity directly pertinent to advising and assisting Federal, State, and local government agencies, individuals, developers, and organizations in carrying out historic

preservation responsibilities under Federal preservation law are eligible for this Program Area. Such activities include but are not limited to:

a. The review, pursuant to Section 106 of the Act, of proposed Federal or federally funded, licensed, permitted, or approved undertakings that may have an effect on properties listed on or eligible for listing on the National Register of Historic Places.

b. The review of proposed Federal or federally funded, licensed, permitted, or approved undertakings that may have an effect on properties listed on or eligible for listing on the National Register pursuant to other Federal preservation-related law for cultural resources preservation (e.g., the National Environmental Policy Act, as amended; the Archeological Resource Protection Act; Section "4F" of the Department of Transportation Act; the National Historic Preservation Act; and similar laws).

c. The process of Federal-State Intergovernmental Review pursuant to E.O. 12372 for programs and projects other than HPF grants.

d. The review and compliance activities performed pursuant to State or local preservation-related laws, Executive Orders, or ordinances, provided that they are not contrary to Federal law or regulation.

e. Technical assistance provided to Federal, State, and local government agencies, organizations, and individuals directly related to their compliance responsibilities.

f. Public education directly related to any of the above.

g. The development, selection, monitoring and administration of subgrants under this Program Area, including the collection of Review and Compliance data required by law or NPS administrative requirements.

h. The review and compliance activities performed pursuant to proposed Federal or federally funded, licensed, permitted, or approved undertakings that may potentially have an effect on properties listed on or eligible for listing on the National Register of Historic Places pursuant to Section 110 of the Act.

(NOTE: HPF monies or matching share shall not be used to undertake the mitigation responsibilities of Federal, State, or local agencies or their designees. See Chapter 13.)

3. National Register. Activity directly pertinent to the evaluation of a historic or archeological resource for its potential eligibility for listing on the National Register. Eligible activities include but are not limited to:

   a. Any activity described in 36 CFR 60 related to processing of resource data for National Register eligibility. This includes Review Board activities related to evaluation of properties. This does not include Federal consensus determinations of eligibility which are eligible Review and Compliance activities.

   b. Any activity related to public participation that involves the public in the evaluation process (36 CFR 60).

   c. Technical assistance in the above activities provided to Federal, State, local agencies, organizations, and individuals related to registration of properties for the National Register.

   d. Public education directly related to the evaluation process.

   e. The development, selection, monitoring, and approval of proposals and reports in this Program Area for submission to NPS.

   f. The development, selection, monitoring, and administration of subgrants under this Program Area.

   g. Registration. The process by which official recognition of cultural resources is achieved. Registration includes activities leading to National Register listing, determinations of eligibility (or ineligibility), and National Historic Landmark designation.

   h. The collection of data relating to National Register activities required by Federal legislation or NPS administrative requirements.

4. Preservation Tax Incentives. The Economic Recovery Tax Act of 1981 (P.L. 97-34) and other related tax laws provide historic preservation tax incentives for rehabilitation projects. Preservation tax incentives are available for any project which the Secretary of the Interior designates as a Certified Rehabilitation of a Certified Historic Structure. Eligible activities under this Program Area must be directly pertinent to, but are not limited to, the following:

   a. The certification of State or local statutes.

   b. The certification of State or local districts.

c. The evaluations of significance (Part I).

d. The preliminary certification of rehabilitations (Part II).

e. The final certification of rehabilitations, both with and without preliminary certifications (Part III).

f. Public participation directly related to the protection of a historic resource through the Preservation Tax Incentives program.

g. Technical assistance directly related to the above activities.

h. Public education directly related to any of the above.

i. The development, selection, monitoring, and administration of eligible nonconstruction subgrants under this Program Area.

j. The collection of related data required by Federal legislation or NPS administrative requirements.

k. Activities related to State or local preservation tax incentives.

NOTE: Work performed with HPF grant assistance via acquisition or development subgrants may not be used to qualify a property for Federal preservation tax incentives.

5. Survey. Activity directly pertinent to the location and identification of historic and archeological resources. All activities in this Program Area must be consistent with the Secretary of the Interior's Standards for Archeology and Historic Preservation. HPF-assisted surveys, or any survey whose costs are contributed as nonfederal matching share, must be designed to lead to nominations to the National Register (or the determination of eligibility if the owner objects) of all eligible properties identified. Assisted activity must produce data to the State Historic Preservation Office that can be readily integrated into the State comprehensive planning process. Eligible activities include but are not limited to:

a. Intensive Level Survey.

b. Reconnaissance Level Survey. [Reconnaissance surveys should be designed so that a determination can be made from the results as to when it is worthwhile to obtain the additional level of documentation (through an Intensive Level Survey) necessary for a National Register nomination.]

c. During Reconnaissance or Intensive survey, limited archeological testing is allowable only to the extent that is needed to identify a resource and determine its eligibility for listing on the National Register of Historic Places.

More extensive testing and data recovery is eligible only under other program areas. See Section E.6, Planning and Section E.8, Development, below.

d. Survey is not normally allowable on properties already listed or determined eligible for listing on the National Register of Historic Places. However, resurvey is eligible if its purpose is:

1) to modify previously documented boundaries;

2) to identify resources not a part of the property's eligiblity determination (e.g., archeological survey in a historic district or architectural survey in an archeological district); or

3) to establish a property's relationship with other resources as part of the development or refinement of historic contexts. See Section E.6, Planning (below) and the Secretary of the Interior's Standards for Archeology and Historic Preservation.

e. Eligible archeological survey activity may be associated with or be a prerequisite for a development project in the following circumstances:

1) If a preservation treatment of a National Register property makes disturbance of the earth unavoidable, the specific areas affected may need limited archeological testing and survey to determine if the proposed undertaking will disturb or destroy potentially eligible archeological remains.

Note: To be an eligible Survey activity the testing may not exceed what is necessary to evaluate the National Register eligibility of a resource. See Planning or Development for eligible activities involving more intensive testing or data recovery (Sections E.6 and E.8.c).

2) If a development project for a National Register property is dependent upon information that can only be obtained by means of archeological investigation, the area may need to undergo limited testing and survey. (See Section E.8.c.1).)

3) If it is necessary in a development project to determine the subsurface features of an above-ground structure or site listed on the National Register, archeological survey using non-destructive remote sensing techniques or limited archeological testing may be conducted. (See Section E.8.c.1).)

4) If for purposes of public interpretation of a National Register property it is demonstrated that additional survey may provide essential information about the property, additional survey and limited testing may be conducted.

f. Activity directly associated with processing survey data from all (including non-HPF assisted) sources for inclusion in the State inventory. This includes properties surveyed at a minimum level of documentation and properties surveyed at a National Register level of documentation.

g. Technical assistance in the above activities directly related to the location and identification of historic and archeological resources.

h. Public education directly related to any of the above.

i. The review, selection, and approval of proposals and reports in this Program Area for submission to NPS.

j. The development, selection, monitoring, and administration of subgrants under this Program Area.

k. The collection of data required by Federal legislation or NPS administrative requirements.

l. Resurveying in the field to upgrade existing inventory data for consistency with the State comprehensive historic preservation plan. However, the subsequent incorporation of the data in the inventory is a Planning activity (see Subsection 6, below).

6. Planning. Activity directly pertinent to the development, implementation, and operation of the State comprehensive preservation planning process according to the Secretary of the Interior's Standards for Comprehensive Preservation Planning. Resource, project, or programmatic activities of or relating to establishing or updating a process, framework, programmatic agreement, or schedule that is intended to be used to predict trends affecting (and impacts to) historic properties, and to guide resource management decisions and operations (e.g., Resource Protection Planning Process--RP3). This does not include any activity described under the Administration Program Area. Subject to other restrictions (e.g., limitations on predevelopment), such activities include but are not limited to the following:

a. Consulting with preservation constituencies (and other users) in the development and maintenance of the State comprehensive plan.

b. Upgrading, reorganizing, or computerizing the State inventory for consistency with the State comprehensive preservation plan.

c. Revising State forms (e.g., survey forms) for consistency with the State comprehensive preservation plan.

d. Public education directly related to the above planning activities.

e. Technical assistance directly related to the above.

f. Public participation in the above processes.

g. The review, selection, and approval of proposals and reports in this Program Area for submission to NPS.

h. The development, selection, monitoring, and administration of subgrants under this Program Area.

i. The collection of data required by Federal legislation or NPS administrative requirements.

j. Planning projects which involve formulating and testing model archeological field or analytical approaches or data recovery, requiring extensive testing beyond what is required for determining National Register eligibility, must be derived from high priority objectives identified in the Statewide comprehensive plan. (Also see Development Section E.8.c). The data being collected or the approaches being tested must have a major implication or consequence for resource management and protection for a geographic area comprising no less than an existing historic context (e.g., a study unit; see the Secretary's Standards for Preservation Planning).

   Archeological sites being investigated in this manner must be individually listed, or identified in a nomination as contributing to the significance of a district listed in the National Register of Historic Places.

Note: All planning activities must contribute toward the identification, evaluation, and treatment of historic or archeological resources to be eligible for HPF assistance.

7. Local Government Certification/Pass-Through. Activity directly pertinent to certifying local governments as eligible under Section 101(c) of the Act, monitoring/evaluating implementation of Certified Local Government (CLG) program delivery, and monitoring/evaluating CLG performance under subgrants.

a. Only Certified Local Governments are eligible to receive funds set aside for Pass-Through (at least 10 percent of the State's allocation), subject to the following exceptions:

   1) The SHPO may award funds reserved for CLGs to any local government entity when the SHPO: a) certifies in writing to the NPS that there is no CLG, or an insufficient number of CLGs, applying to use the 10 percent minimum; and b) documents the State's good faith efforts to notify local governments and to encourage and assist them to develop local preservation programs, become certified, and apply for funding.

      Priority shall be given to projects designed to assist local governments in becoming certified. No single local government may receive such a reprogrammed subgrant for 2 consecutive years or within 2 years of decertification as a CLG. (This will be examined as part of the State Program Approval process. See Chapter 30.)

   2) The State may reassign all or part of the 10-percent minimum to other eligible purposes when the SHPO certifies in writing that the State had given written notice to all local governments that HPF monies were available, and that an insufficient number to use the remainder of the "set-aside" have applied within a reasonable time. Such a scope change amendment request may not be submitted prior to one calendar year after the beginning of the fiscal year of the State's HPF allocation. [See 36 CFR 61.6(o)]. The State must provide the documentation for such a request, described in 7.a.1) above, submitted in the form of a regular amendment. Priority must be given to the use of reassigned funds to encourage local governments to participate in the CLG program. Because a reassignment is contrary to the intent of the Act establishing the 10-percent minimum Pass-Through, NPS will carefully scrutinize the circumstances involved in the next State Program Approval review.

b. Any local government receiving grant assistance under this provision must have followed the procedures specified in the State's NPS-approved process for transferring funds to CLGs.

c. To be eligible for this set-aside, the local government must have been certified by both the State and the Secretary of the Interior. The local government must continue to comply with the conditions of that certification in order to receive grant assistance under this provision.

d. If there is no approved State program, the NPS will act in place of the State with regard to a CLG.

e. Eligible SHPO activities under this Program Area include but are not limited to:

1) Planning, organizing, and assisting the creation of Certified Local Governments.

2) Technical assistance to local governments and agencies established to conduct HPF-assisted projects on behalf of CLGs and directly related to the Local Government Certification/Pass-Through Program Area.

3) Public education directly pertinent to the above (e.g., providing training and orientation to local commissions).

4) Processing applications for certification or amendments to certification agreements.

5) Developing subgrant applications under this Program Area.

6) Selecting applications for pass-through funds.

7) Monitoring and evaluating CLG performance under the subgrant agreement.

8) Monitoring and amending, if necessary, the State CLG process.

9) The collection of data required by Federal legislation or NPS administrative requirements.

10) Developing, submitting, amending, or otherwise revising the official State processes for the certification of local governments and for funds transferred to CLGs.

NOTE: The SHPO activities listed above do not satisfy the requirement that at least 10 percent of each State's annual apportionment must be subgranted to Certified Local Governments. Also note that HPF grant assistance (acquisition, development, or nonconstruction subgrants) to Certified Local Governments that is not part of the Pass-Through Funds, is not applicable to this Program Area. Refer to Sections E.8, E.9, and E.10 of this Chapter for applicable Program Area requirements. Pass-Through subgrants may be used for any HPF eligible activity, but see Chapter 7, page 39 for guidelines on properly entering the resulting outlay, effort, and products in Attachment A.

8. Development (grantee activities and subgrants). Grantees must ensure that professional concepts, methods, and techniques are employed in order to make optimum use of funds and resources, and to contribute effectively to the protection, stabilization, preservation, rehabilitation, restoration, or reconstruction of properties listed in the National Register of Historic Places in accordance with the Secretary of the Interior's Standards for Archeology and Historic Preservation.

a. Nonconstruction development activity. This refers to activity directly pertinent to the development, implementation, operation, and monitoring of development projects funded with HPF assistance or associated costs used as nonfederal matching share. Such activities include but are not limited to:

1) The preparation of pre-development plans, specifications, historic structure reports, and other pre-development costs unless prohibited by law. (Also see Subsection b.6 below.)

2) The review, selection, and approval of proposals and development reports for submission to NPS.

3) The execution and monitoring of grantee projects and subgrant agreements under this Program Area.

4) Administration of active development subgrants.

5) Collection of data required by Federal legislation or NPS administrative requirements.

6) Public participation directly pertinent to this Program Area.

7) Public education directly pertinent to this Program Area.

8) Technical assistance directly related to this Program Area.

b. Construction development activities. Development includes the following: protection, stabilization, preservation, rehabilitation, restoration, and reconstruction as defined in the Secretary of the Interior's Standards for Historic Preservation Projects. A historic property may be developed with HPF assistance if it is either individually listed, or has been identified in an NPS-accepted nomination as contributing to the significance of a district listed in the National Register of Historic Places.

The property must be in one of these categories prior to the submission of the Project Notification (Informational SF 424) to NPS.

A property that has not been individually listed, or identified as contributing to the significance of a National Register district, such as a prehistoric archeological site in a historic district or an Art Deco property located in an 18th-century historic district is not eligible for a development subgrant.

In addition to the above eligible nonconstruction activities, certain development and predevelopment activities are allowable when provided for by Federal law and/or appropriation terms.

The requirements and activities allowable for development or predevelopment (as part of a construction development activity) are detailed below.

Unless otherwise stipulated by Federal legislation or expressly stated in NPS implementation instructions, grantees may not provide HPF development assistance for work on properties which have been accorded Federal preservation tax benefits for that same work. See Section E.8.b.20, below.

1) The grantee must prepare documentation for the development work in accordance with Section E.8.c. and E.8.e. below.

2) Working drawings and architectural plans and specifications must detail the exact scope of any development work to be performed and must be accurately drawn to scale so that measurements can be verified at the project site. Architectural plans and specifications must define the project so that all aspects of work can be clearly understood by objective reviewers familiar with the Secretary of the Interior's Standards for Historic Preservation Projects. The plans and specifications must evidence conformance with those Standards. Sufficient information of major elements of work/cost must be retained by the SHPO to enable the NPS to conduct a substantive on-site review of the project or a review of project documentation in accordance with Chapter 30.

3) The grantee must ensure that all architectural services necessary for design and construction of grant-assisted work are adequately performed. The grantee must arrange for competent architectural, engineering and archeological supervision (as appropriate) at the construction site. This includes, but is not restricted to, such services as site inspections; historical, archeological, and architectural research; design development; preparation of architectural plans and technical specifications; construction supervision, and contract administration.

4) The grantee must certify on the Project Notification (Informational SF 424) that the plans and specifications, historic structure report, or other predevelopment research will be reviewed by qualified staff to ensure that work will be performed in compliance with the Secretary's Standards for Historic Preservation Projects. Grantees are responsible for ensuring that all predevelopment research or work has been completed, reviewed, and approved prior to the commencement of work for the construction phase. This must be accomplished before proposed construction work is advertised or let for bids.

**Individual States which demonstrate a pattern of noncompliance with the Secretary's Standards for development work will be required by NPS to complete architectural plans and specifications before submitting Project Notifications. This provision also applies to grantees with either: a history of poor performance in completing initiated development subgrant projects; a history of excessive amendments during the subgrant period, or whose management systems do not evidence that work will be performed essentially as proposed in subgrant notifications and within the period of availability of funds; or grantees with relatively large cost disallowances on previous grant awards. NPS will notify such grantees in writing of such a requirement.**

5) Construction work must be completed in accordance with the Project Notification (Informational SF 424). The Project Notification must contain sufficient information to outline the scope of work to be performed, and must include a reasonable estimate of costs for each major work element. Exhibit 6-C provides a listing of categories of major work elements which are recommended for use by grantees (and subgrantees) when preparing work/cost budget estimates.

6) Pre-development. The preparation of architectural plans and specifications, a feasibility study, or construction documents alone is not eligible for HPF assistance as a development project. Pre-development work can be funded in one of two ways under this Program Area (unless prohibited by Federal law or NPS grant conditions): 1) As a pre-development nonconstruction expense (see E.8.a.1)); or 2) identified as a cost item in the Project Notification (Informational SF 424) budget estimate for a development subgrant.

7) Ground disturbance (archeology). For any project involving archeological development or requiring ground disturbance, the grantee must submit a statement by the staff archeologist that any scientific or cultural data recovered with HPF grant assistance will be recovered and maintained in accordance with the requirements of the Secretary of the Interior's Standards for Archeology and Historic Preservation. But also see Chapter 13, Section D.3 and D.11.

8) Force Account. Construction by force account is generally subject to the same requirements that apply to work performed under contract in accordance with OMB Circular A-102, Attachment O (see Chapter 17).

9) Development projects must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1994; 42 USC 4601-4651 (see Chapter 21).

10) A covenant or Letter of Agreement must be executed in accordance with Section E.10. below.

11) A Final Project Report must be submitted to NPS in accordance with Chapter 25.

12) Relocation of structures. Historic structures selected for HPF assistance should not be relocated. If a structure listed in the National Register must be relocated, the grantee will provide NPS with advance written notification of its intentions and request prior written approval from the NPS (National Register Branch) to confirm that the property will not be removed from the National Register as a result of its relocation. (Criteria for moving historic structures and procedures required by NPS are specified in 36 CFR 60.)

    If a structure is not listed in the National Register at the time of relocation, HPF assistance may not be used to finance the cost of moving the property. In addition, if the property is removed from the National Register as the result of an unapproved relocation of the structure, the cost of the relocation would not be eligible for HPF grant assistance. Mitigative documentation may be required pursuant to Section 110 of the Act when a structure is moved using HPF assistance, if significant site context or landscaping features will be lost because of the move.

13) Revolving Fund. All program requirements for development work apply. Additional requirements governing revolving fund grants/subgrants are discussed in Section D.2, above.

14) Grantees must ensure that a project identification sign is displayed in a prominent location at each project site while project work is in progress. The sign must identify the project and Department of the Interior, National Park Service grant support. This provision may be waived by written NPS approval if the SHPO determines that in accordance with Section 304 of the Act this requirement would create a risk of destruction or harm to the site. (See Chapter 5, item 30.)

15) Furnishings. The cost of project furnishings is allowable if in accordance with Chapter 13, item B.19.

16) Landscaping. The cost of landscaping is allowable if in accordance with Chapter 13, item B.25.

17) Grantees may not use HPF monies to finance or assist projects involving federally owned properties. Refer to Chapter 13, item D.15.

18) Church-owned property. Direct financial assistance to active churches is not an allowable cost (see D.5 above).

19) Public buildings. The eligibility of an activity will sometimes depend on whether it involves assistance to a State or local government building still in use, in full or in part, for governmental purposes. If public building restrictions are required by Federal legislation or NPS administrative requirements, specific guidance and requirements will be provided as part of the implementation instructions for the use of the funds involved. Unless otherwise stipulated, except for the "Survey" Program Area, the restriction would normally apply to any use of HPF grant assistance, construction or nonconstruction. The previously issued guidelines stated below will be used as the generally accepted definitions of public buildings for determining eligibility for HPF assistance:

   a) Ineligible. Historic buildings such as State capitols, courthouses, town halls, government office buildings, public schools, colleges, universities, fire and police stations still in use for governmental purposes.

   b) Eligible. Historic buildings used for cultural purposes, such as museums, theatres, performing arts centers, community centers, historic buildings maintained at archeological sites, or buildings maintained for the primary purpose of preserving and interpreting a historical story. Buildings owned by State or local governments which have been leased or transferred to private organizations for historic preservation purposes, provided the lease period is the same as or longer than the covenant or letter of agreement period.

20) Certified historic structures. Unless otherwise stipulated by Federal legislation or expressly stated in NPS implementation instructions, grantees may not provide HPF development assistance to subgrantees for projects which have been accorded Federal preservation tax benefits. That is, Historic Preservation Fund development grant assistance applied to any portion of a building by an owner and/or lessee precludes that owner and/or lessee from obtaining the Federal tax incentives for historic preservation contained in the Internal Revenue Code of 1954 for that portion of the building. Such incentives include the Tax Reform Act of 1976, the Revenue Act of 1978, and/or the Economic Recovery Tax Act of 1981.

21) Brochures. Preparation of informational brochures as a final activity in the rehabilitation of certain properties is an eligible construction project activity so long as

the following guidelines for content and scope are met:

a) Description of the results of the development project work that was undertaken.

b) Description of the function, layout, and design features of the property (incorporating a site map if appropriate); information on design elements of building(s) and function of structures; and description of the rehabilitated property's historic context.

c) Identification of local folkways pertinent to use and appreciation of the project buildings, the reason for their rehabilitation, and how the property articulates with the contemporary cultural context.

d) Costs of publication and distribution are not eligible unless they are reasonable (generally not exceeding the costs of preparing the Final Project Report), and unless a direct benefit to the HPF-assisted program can be demonstrated.

c. Archeological Development Projects.

While archeological excavations are essentially destructive in nature, grantees should study all prehistoric and historic features and structures, whether above or below the ground, as part of their comprehensive historic preservation program. Almost all standing structures have an archeological component, and archeological remains exist in urban areas as well as in rural settings.

To be eligible for HPF assistance, an archeological development project must have as its objective the protection, stabilization, or preservation of a specific site, or the recovery of archeological data under the conditions discussed below. Archeological research not directly related to such protection, stabilization, or preservation at a National Register property is not an allowable cost.

Archeological investigations eligible for HPF assistance as a development project must contribute to protection, stabilization, or preservation of a specific site, or for the recovery of archeological data under the special conditions discussed below.

1) Eligible Activities. An archeological development project or component of a development project will be eligible only under the circumstances listed below. Other activities are not eligible under this program area. Survey and testing to the extent necessary to determine National Register eligibility must be characterized as Survey costs (see Section E.5). Testing that is more

intensive than is allowable under Survey must be characterized as Planning (see Section E.6) or Development costs (see below).

a) If a preservation treatment of a National Register property will disturb an area that has archeological value and the preservation treatment plans cannot be altered, the archeological data affected by the project must be recovered.

See Section C. above for documentation standards and other requirements.

b) If a development project for a National Register property is dependent upon information that can only be obtained by means of archeological investigation, the area may be tested to the extent required to design and perform the approved development activity.

c) If, for purposes of public interpretation of a National Register property, it is demonstrated that archeological testing may provide information essential to interpretation of the property, limited archeological investigations may be conducted.

d) Aside from the circumstances described above, data recovery or extensive testing on a site already listed or determined eligible for the National Register is allowable only under limited conditions and as a planning project. See Section E.6, Planning, above.

e) An appropriate plan of action to retrieve the archeological information, including the methodology to be employed in data recovery, must be part of the scope of work detailed in the Project Notification (Informational SF 424). The State staff archeologist's comments must accompany the Informational SF 424.

2) Ineligible Activities. An archeological development component or project having as its purpose any of the activities listed below, in whole or in part, is not eligible for HPF assistance:

a) Mitigation activities performed as a condition or precondition for obtaining a Federal permit, license, or funding by other Federal programs.

b) Curation or exhibition of artifacts or other materials after the end date of the HPF-assisted project.

c) Archeological investigation unrelated to the categories in subsection 1) above.

9. Acquisition.

a. Nonconstruction acquisition. Activity directly pertinent to the acquisition, implementation, operation, and monitoring of acquisition projects funded with HPF assistance or associated costs claimed as nonfederal matching share. Charges to this Program Area include but are not limited to:

1) Costs associated with conducting an appraisal and preparing appraisal documents.

2) Other necessary pre-acquisition costs unless prohibited by law or grant conditions.

3) The review, selection, and approval of proposals and reports to NPS.

4) The execution and monitoring of projects and subgrant agreements under this Program Area.

5) Administration of active acquisition subgrants.

6) Collection of data required by Federal legislation or NPS administrative requirements.

7) Public participation directly related to this Program Area.

8) Public education directly related to this Program Area.

b. Acquisition of real property.

1) A property (structure or archeological site) may be acquired with HPF assistance if (1) the property is individually listed on the National Register or is identified in the nomination as contributing to the significance of a National Register historic district, prior to the submission of a Project Notification (Informational SF 424); (2) is threatened with demolition, impairment, or other controllable damage from natural or human sources such as erosion, slumping, vandalism, and relic collecting; and (3) grant assistance is essential to ensure the preservation of the property for at least the term of the covenant or letter of agreement.

2) Grantees must adopt procedures for the acquisition of real property that are fair and consistent, and that provide that the property owner promptly obtains the full measure of compensation authorized by law with a minimum of inconvenience.

3) Acquisition projects must be executed promptly, in one lump sum payment, within the subgrant period. Using HPF grant assistance to pay a mortgage installment(s), or options to purchase, does not acquire title and does not adequately protect the property, and is therefore not eligible for grant assistance.

4) All property acquired with grant assistance will be maintained and administered so that the historic integrity of the property is preserved. (See Section 102(a)(5) of the Act, the Secretary of the Interior's Standards for Historic Preservation Projects, and Section E.10. below concerning covenants.)

5) Acquisition projects must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1994; 42 USC 4601-4651, and Chapter 21 of this Manual. Grantee files must evidence compliance with the Uniform Relocation Act.

6) There must be an independent relationship between the seller and the buyer so that unjust enrichment and/or the appearance of unjust enrichment is avoided.

7) Appraisals must be performed prior to (not more than 6 months before) the acquisition of real property. The grantee is responsible for reviewing, evaluating, and certifying that the appraisal documents comply with professional appraisal requirements. Appraisal and appraisal report requirements are discussed in Exhibit 6-B. The cost of obtaining an appraisal(s) is an allowable pre-agreement cost if an acquisition subgrant is subsequently awarded.

8) Boundaries. The boundary of the HPF acquisition project cannot exceed the boundaries as listed on the National Register nomination. If buffer zones or ancillary property are essential to the preservation of the property to be acquired, the alterations to the boundaries must first be listed in the National Register before an acquisition project is initiated. (See National Register publication, How to establish boundaries for National Register Properties.)

9) Revolving Fund. The grantee must indicate on the Informational SF 424 (see Exhibit 6-D of this Chapter) if the property is to be sold after completion of the acquisition as part of a revolving fund mechanism. All program requirements governing acquisition projects apply to revolving fund arrangements. (See Section D.2, above.)

10) Less than full title acquisition is encouraged and permitted for property acquired with HPF grant

assistance. Such lesser interests include, but are not limited to, easements, rights-of-way, and leaseholds. In providing HPF assistance for such acquisitions, the State must assume responsibility for meeting the same covenant and public access requirements as with fee-simple acquisition, and all program requirements pertaining to acquisition projects apply.

11) The grantee shall ensure that the seller has been provided with a statement of just compensation (listing the value stated in the appraisal) and a written offer to purchase for this amount.

12) Final Project Reports for acquisition projects receiving Historic Preservation Fund grant-in-aid monies must be prepared in accordance with the requirements listed in Chapter 25.

13) A covenant or letter of agreement must be executed in accordance with the procedures and requirements of Section E.10 below. Unless State law provides otherwise, a covenant or letter of agreement for an acquisition project must be executed not later than the time the title to the property transfers from the seller to the buyer.

14) For acquisition for less than the appraised market value, grantee records must fully document that the acquisition was conducted in compliance with the acquisition policies established by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 . There must be evidence that the seller: a) was first provided with a written offer to purchase for the full amount established as fair market value stated in the certified appraisal(s), prior to the initiation of negotiations; and b) was given the opportunity to accompany the appraiser(s) in the inspection of the property.

Project documentation must include a signed statement knowingly waiving his or her right to just compensation (fair market value) and indicating that he or she:

a) Has been informed of his or her rights under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

b) Has been provided with a statement of just compensation and a written offer to purchase for this amount;

c) Is satisfied with the price to be paid even though it is less than the estimate of fair market value.

d) Has been informed of the tax benefits available from his/her donation; and,

e) When a partial donation is to be applied as matching share for an acquisition for the remainder purchase cost of that property, the seller must indicate in the signed statement that he/she intends to contribute the difference between the appraised value and the selling price for the purpose of preserving the property.

A copy of this waiver document must be submitted by the grantee to NPS as part of the grant application or Informational SF 424.

15) Churches and church-owned property. Direct financial assistance to active churches is not allowable (see D.5 above).

16) Public buildings. All conditions governing acquisition of property apply. In addition, the conditions described in Section E.8.b.19) above must be observed.

17) Ineligible acquisition costs.

a) The acquisition of a National Register property which has previously received HPF development (or acquisition) grant assistance is not eligible for additional HPF assistance while a covenant or letter of agreement protecting the property is in effect.

b) The cost of borrowing funds for acquisition is unallowable. (See Chapter 13.)

c) Phased acquisition projects are not allowable for HPF grant assistance. (See Section E.9.b.3) above.)

d) Options to purchase are not allowable for HPF grant assistance. (See Section E.9.b.3.) above.)

10. Covenants and Letters of Agreement. The following provisions apply to all properties or structures acquired or developed with HPF assistance. (Additional covenant or letter of agreement requirements for archeological properties are detailed in Section E.10.j. below). Covenant and letter of agreement provisions also apply to development subgrants awarded by the National Trust for Historic Preservation.

Authority. Section 101(d)(1) of the National Historic Preservation Act stipulates: "The Secretary shall administer a program of matching grants-in-aid to the States for historic preservation projects, and State historic preservation programs, approved by the Secretary and having as their purpose the identification of historic properties and the preservation of properties included on the National Register." Section 102(a)(5) of the Act stipulates: "No grant may be made under this Act unless the grantee has agreed to assume, after completion of the project, the total cost of the continued maintenance, repair, and administration of the property in a manner satisfactory to the Secretary."

Covenants (amending the property deed) when HPF grant funds exceed $10,000, or letters of agreement when HPF grant funds are less than $10,000 (between the State and private or public property owners) for privately and publicly owned property have been instituted administratively as a means to obtain compliance with the above sections of the Act.

When the covenant or letter of agreement mechanism is used, grantees are responsible for ensuring subgrantee compliance in accordance with this Section. This post-grant monitoring responsibility, extending for the period specified in Section E.10.g. below, may not be delegated by the grantee.

A model letter of agreement is reproduced as Exhibit 6-A of this Chapter.

a. Each covenant or letter of agreement must be executed between the grantee and the property owner of record, shall be kept on file at the office of the grantee, and must be available for NPS review. If the property has been financed through a mortgage lender, the mortgagee must also sign the covenant or letter of agreement. (In such instances, the lender is the owner and holds title to the property until the mortgage has must be executed prior to issuance of HPF grant funds. The grantee must certify in the required Final Project Report that an appropriate covenant or letter of agreement has been executed and is on file at the office of the grantee. (Refer to Chapter 25.)

   **EXAMPLE:**

   > Situation: How can the covenant requirements be met when a grantee or subgrantee proposes to purchase and develop a railroad depot, but lease the land on which the structure is located? (The railroad will retain title to the land.)
   >
   > Resolution: The covenant or letter of agreement runs with the land and must be executed by the owner of record for the term of years specified below. In this instance, the railroad is the owner of record. (A lease of the land does not convey title or transfer ownership.) The railroad and the grantee (or subgrantee) must execute a maintenance and administration covenant for the period required. The legal protection afforded to the depot by a covenant is especially appropriate because of the danger of demolition by the railroad.

b. Covenants and letters of agreement must be written in such a manner that they will be legally enforceable through specific performance by the State.

c. When grant funds exceeding $10,000 are to be conveyed by the grantee, a covenant, rather than a letter of agreement, must be used. The property owner of record shall encumber the title to the property with a covenant running with the land, in favor of and legally enforceable by the grantee. The covenant (in addition to the requirements listed below) shall provide that the owner(s), and any successors in interest, will maintain the premises for a term of years (stipulated in Section E.10.g. below) so as to preserve the historical integrity of the features, materials, appearance, workmanship, and environment which made the property eligible for listing on the National Register of Historic Places. The property owner of record (and if applicable, the mortgagee) must be the executors of the covenant whether or not the owner is the subgrantee.

d. Authorized representatives of the grantee must retain authority to inspect the property in order to monitor compliance with the covenant or letter of agreement.

e. The covenant or letter of agreement must contain the following provisions:

1) Maintenance. "The owner agrees to assume the cost of continued maintenance and repair of the property so as to preserve the architectural, historical, or archeological integrity of the property for __________ (insert the required period of time listed in Section E.10.g. below) in order to protect and enhance those qualities that made the property eligible for listing in the National Register of Historic Places. Nothing in this agreement shall prohibit the subgrantee from seeking financial assistance from any sources (including HPF) available to him."

2) Public access.

a) For all acquisition or development subgrants which involve only exterior, structural, or mechanical system work, the public access provision is not required as part of the covenant or letter of agreement if the property is clearly visible from a public right-of-way.

b) When the structure is not clearly visible from a public right-of-way, and only exterior, structural or mechanical system work is involved, the following clause must be inserted: "The owner agrees to provide public access to the grounds of the property no less than 12 days a year on an equitably spaced basis, and at other times by appointment. Nothing in this agreement will prohibit the owner or subgrantee from charging a reasonable nondiscriminatory admission fee, comparable to fees charged at similar facilities in the area."

c) When the HPF-assisted work includes interior work the following clause must be inserted: "The owner agrees to provide public access to the interior of the property, for the purpose of viewing HPF-assisted work, no less than 12 days a year on an equitably spaced basis, and at other times by appointment. Nothing in this agreement will prohibit the owner or subgrantee from charging a reasonable nondiscriminatory admission fee, comparable to fees charged at similar facilities in the area." (See Chapter 10, Section C.5.b and C.5.n, regarding compliance reviews of grantees and subgrantees by the Department of the Interior).

d) For properties that are not open to the public except for the required 12 days per year, and where the improvements assisted by HPF grant funds are not visible from the public way, owners will agree as part of the covenant or letter of agreement to provide public notification by advertising in newspapers of general circulation in the community or area in which the property is located, giving the dates and times when the property will be open to the public.

e) Exceptions to public access requirements. In accordance with Section 304 of the Act, the grantee may withhold from disclosure to the public information relating to the location or character of historic resources whenever the disclosure of such information may have substantial risk of harm, theft, or destruction to such resources. The grantee shall request written approval from the NPS to withhold information from the public prior to recordation of the covenant or letter of agreement.

f. The covenant or letter of agreement must include a statement that the owner will publish dates and times when the property will be open to the public. (But specific dates and times do not have to be included in the covenant or letter of agreement document.) Documentation of such notice will be furnished annually to the State Historic Preservation Officer during the term of the covenant or letter of agreement. The grantee is responsible for keeping such documentation on file. (See Grantee Monitoring Responsibility, Chapter 5, item 12.)

g. Covenant period. The responsibility to maintain and to provide public access to properties acquired or developed with HPF assistance is limited to a specific period of time determined by the amount of Federal assistance. Where there are several phases of development assistance, the term of the covenant or letter or agreement must be commensurate with the total (aggregate) Federal assistance received. In such instances, the covenant period is computed from the date the Federal funds transferred from the grantee to the subgrantee (or property owner) exceed $10,000. When HPF assistance involves more than one National Register listed property or structure, the covenant (or letter of agreement) period for each property will be determined by the amount of HPF assistance awarded to each individual property.

1) Federal assistance from $1 to $10,000: A covenant amending the deed is not required; instead, a 5-year letter of agreement must be executed.

2) Federal assistance from $10,001 to $25,000: 5-year covenant;

3) Federal assistance from $25,001 to $50,000: 10-year covenant;

4) Federal assistance from $50,001 to $100,000: 15-year covenant;

5) Federal assistance from $100,001 and above: 20-year covenant.

h. For properties involving development work, the covenant period will commence on or before the disbursement of grant funds by the grantee to the subgrantee.

i. For properties acquired with HPF assistance, the covenant period will commence no later than the date the title of record transfers from the seller to the buyer.

j. Covenants and Letters of Agreement for archeological sites.

The covenant or letter of agreement, whichever is applicable, for archeological sites acquired or developed with HPF assistance shall contain the following provisions:

1) Site protection. "The owner agrees to ensure the protection of the site against willful damage or vandalism. Nothing in this agreement prohibits the owner or subgrantee from developing the site in such a manner that will not threaten or damage the archeological resource."

2) Recovered data protection. "The owner agrees to ensure that any archeological data and material recovered will be placed on permanent loan with a repository that will care for the recovered data in the manner prescribed in the Secretary's Standards for Archeology and Historic Preservation."

3) Public access. If there are no visible features above ground, public access requirements will be limited to providing access to interested parties on selected days of the year.

When the grant-assisted project is not clearly visible from a public right-of-way, the following clause must be inserted: "The owner agrees to provide public access to the site not less than 12 days a year on an equitably spaced basis, and at other times by appointment. Nothing in this agreement will prohibit the owner or subgrantee from charging a reasonable nondiscriminatory admission fee, comparable to fees charged at similar facilities in the area."

4) Exceptions to public access requirements. In accordance with Section 304 of the Act, the grantee may withhold from disclosure to the public information relating to the location or character of historic resources whenever the disclosure of such information may have substantial risk of harm, theft, or destruction to such resources. The grantee shall request written approval from the NPS to withhold information from the public prior to recordation of the covenant or letter of agreement.

5) Term of covenant or letter of agreement. The term shall be the period of time stipulated in Section E.10.g. above.

k. Covenant and letter of agreement violations. In the event of the non-performance or violation of the maintenance provision of the covenant or letter of agreement by the subgrantee, (or any successors-in-interest during the term of the covenant or letter of agreement) the grantee will initiate legal action to require the subgrantee to restore the property to the condition existing at the time HPF-assisted work was completed. If the grantee fails to initiate legal action, the grantee is in breach of contract and NPS may exercise any legal remedies available.

l. Consequences when a property has been DAMAGED or DESTROYED. This section also applies to any successors-in-interest.

1) DAMAGED. If an HPF-assisted property is damaged by accidental or natural causes during the covenant or letter of agreement period, the grantee will inform the NPS in writing of the damage to the property, including: (1) an assessment of the nature and extent of the damage; and (2) an estimate of the cost of restoration/reconstruction work necessary to return the property to the condition existing at the time of project completion. The grantee/subgrantee shall, at its own expense, take all necessary steps, including legal action, if necessary, to restore or reconstruct the damaged property.

It is strongly recommended that the subgrantee obtain insurance for restoration of the historic property if accidentally damaged.

If an HPF-assisted property is damaged deliberately or through gross negligence by the subgrantee, the grantee will inform the NPS Regional Office in writing of the damage to the property, including: 1) an assessment of the nature and extent of the damage; and 2) an estimate of the cost of restoration or reconstruction work necessary to return the property to the condition existing at the time of project completion. The grantee will initiate legal action to require the subgrantee to restore/reconstruct the damaged property.

2) DESTROYED. If an HPF-assisted property has been destroyed or severely damaged by accidental or natural causes, that is, if the historical integrity of the features, materials, appearance, workmanship, and environment which made the property eligible for listing in the National Register of Historic Places have been lost or so damaged that restoration/reconstruction is not feasible, the grantee will notify the Keeper of the National Register in writing of the loss with a copy to the NPS Regional Office. The Keeper of the National Register will evaluate the findings and notify the grantee in writing of any decision to remove the property from listing in the National Register. If the property were to be so removed, the grantee will notify the subgrantee that the covenant or letter of agreement is null and void.

If an HPF-assisted property has been severely damaged or destroyed deliberately or through gross negligence by a subgrantee, that is, if the historical integrity of the features, materials, appearance, workmanship, and environment which made the property eligible for listing in the National Register of Historic Places have been lost or so damaged that restoration/reconstruction is not feasible, the grantee will notify the Keeper of the National Register in writing of the loss with a copy to NPS Regional Office. The Keeper will evaluate the findings and notify the grantee in writing of any decision to remove the property from listing in the National Register. If the property were to be so removed, the grantee will at its own expense initiate requisite legal action to recover grant funds.

m. Revisions to covenants (Maintenance). Covenants or letters of agreement may not be revised (except as required above) unless prior written NPS concurrence is obtained. It is expected that amendments will be approved only in exceptional circumstances, where both administrative and technical or economic circumstances justify consideration of a revision to a covenant or letter of agreement. NPS (Regional Offices) may authorize revisions (amendments) to preservation covenants or letters of agreement only if all of the following circumstances and conditions exist:

The State Historic Preservation Officer must request in writing that NPS (Regional Office) concur with the proposed revision to the covenant or letter of agreement.

1) The State's request must specify that after a thorough document analysis has been performed the State Historic Preservation Officer has determined that the following three conditions have been met:

    a) Continuation of the covenant or letter of agreement is technically or economically infeasible. (This should be very conservatively interpreted.)

    b) The proposed revision would leave the property with sufficient integrity and significance to merit continued listing on the National Register.

    c) Acceptable documentation to support the above determinations is included with the State's request.

2) Upon receipt of the items stipulated above, NPS will, prior to making a decision:

    a) Obtain the written concurrence of the Keeper of the National Register with the State's determination concerning continued listing on the National Register;

    b) Carry out the provisions of Section 106 of the National Historic Preservation Act and the National Environmental Protection Act (516 DM 16).

3) The Associate Director for Cultural Resources will advise the Regional Office in making such determinations.

4) In exceptional cases where revised covenants are permitted, it will continue to be the responsibility of the State Historic Preservation Officer to monitor, hold, and enforce the amended covenants.

5) Under no circumstances shall the procedures described above be used to nullify the covenant or letter of agreement. See General Conditions Governing Grants (Chapter 5, Condition 12) which emphasizes that nullifications will not be allowed.

11. Other Program Activities. These include any activity that is eligible for HPF assistance but that does not readily fall within one of the 10 Program Areas described above, or involves Multiple Program Areas and the activity cannot reasonably be divided among the specific Program Areas. Subject to the provisions of Chapters 12 and 13, such activities may include:

    a. General outreach programs that directly pertain to HPF grant-assisted preservation programs and projects.

b. Assistance for salaries and operating expenses for Statewide or local preservation organizations conducting activities in more than one Program Area, and for HABS/HAER activities (but see Section E.11.g. below regarding certain ineligible costs).

c. Technical assistance. See Section D.1 above.

d. Public participation and education involving grant-related activities to increase overall public awareness such as (1) explanation of accomplishments, problems, and issues directly related to grant-assisted activities to the existing State preservation constituency, (2) promotion of working relationships with the public and private sectors to achieve HPF grant objectives, (3) preparation and dissemination of technical preservation information, (4) encouragement of broad participation in the State's implementation of the Act, and (5) public participation in the grantee's open project selection process. (See Chapter 3, Section E.5 and Chapter 13, Section B.41.)

e. The development, selection, approval and monitoring of subgrant agreements under this Program Area.

f. Revolving fund subgrants; see Section D.2 above for eligible activities.

g. HABS/HAER documentation programs. The Historic American Buildings Survey (HABS) and the Historic American Engineering Record (HAER) documentation programs of the NPS. These programs promote documentation incorporated into the HABS and HAER collection in the Library of Congress. The purpose of the collection is to provide architects, engineers, scholars, and interested members of the public with comprehensive documentation of buildings, sites, structures, and objects significant in American history and in the growth and development of the built environment.

Grantees may provide HPF assistance to subgrantees for conducting historical research and developing documentation for the HABS/HAER programs in the same manner as any other subgrant awarded in accordance with the grantees' annual grant for Federal Assistance.

The standards for HABS/HAER documentation appear in the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation. Additional guidelines for documentation can be found in "Guidelines for Inventories of Historic Buildings and Engineering and Industrial Structures," "Photograph Specifications for Contract Photographers," "Field Instructions," Field Instructions for Measured Drawings," and the "Historian's Procedural Manual," all available through the HABS/HAER Office in Washington, D.C.

Ineligible costs: HABS/HAER projects are generally conducted under the supervision or direction of NPS staff. Costs incurred by Federal officials supervising or otherwise administering a HABS/HAER project are not allowable for HPF grant assistance. Costs supported by NPS from non-HPF Federal funds or nonfederal funds reimbursed to HABS/HAER Federal employees are not allowable costs for any HPF grant or subgrant, nor are the costs eligible as matching share contributions. (See Chapter 13, Section D.19.)

h. Demonstration project which will provide information concerning professional and traditional methods and techniques having application to historic properties.

i. Identification, training and development of skilled labor in trades and crafts (modern and traditional), and in analysis and curation, relating to historic preservation.

(Note: For activities under subsections E.11.h. and 11.i. also refer to Chapter 1, Section C.7.)

j. Requirement for direct benefit. Any of the activities listed in this subsection E.11 are subject to NPS approval of a grant application and /or subsequent Project Notifications which specifically demonstrate that the costs for each activity have a direct benefit to the purpose and eligible products defined in this Chapter and throughout this Manual.

12. Interstate projects. Occasionally, it may be desirable to undertake projects such as survey, nominations, or planning on an interstate basis. States desiring to undertake interstate non-construction activities, must first receive written concurrence (to be included with the Informational SF 424) from the affected SHPOs.

F. Direct Grants. At such time as Congress appropriates funds for direct grants programs with targeted grantees and activities, the National Park Service will provide the information necessary to apply for and carry out such grants.

G. Program Areas Applicable to the National Trust for Historic Preservation. Section 101 (d)(2) of the Act provides for grants to the National Trust "for the purpose of carrying out the responsibilities of the National Trust." The following are the general categories of functions which describe the activities for which HPF assistance may be provided to the National Trust:

1. Administration. Planning, organizing, staffing, coordinating, controlling, and monitoring supporting activities and other related activities, that accomplish grant-assisted activities. The following activities are associated with Administration for the National Trust:

a. Executive Department;
b. Finance and Administration; and
c. Legal Services.

2. Program Operations. Implementing supporting activities that accomplish HPF program objectives in accordance with the eligibility criteria of the National Register Programs Manual, including the provision of direct benefits to program participants and/or beneficiaries. The following activities are associated with Program Operations for the National Trust:

   a. Communications.

      1) Preservation Press;
      2) Public Affairs; and
      3) Membership Development (excluding fund-raising activities which are ineligible for HPF assistance or for use as matching share contributions).

   b. Preservation Services.

      1) Financial Services
      2) Center for Preservation Training
      3) Preservation Library
      4) Regional Services
      5) Museum Services
      6) Historic Properties

   c. Program Development.

      1) Program Development and Evaluation
      2) Maritime Preservation
      3) National Main Street Center
      4) Rural Project

   d. Other. Implementing new or temporary programs established by Congress. NPS will provide guidance on eligible activities as appropriate.

## EXHIBIT 6-A

## MODEL LETTER OF AGREEMENT

This agreement is made the day of , 19 , by (hereafter referred to as the "Subgrantee") and in favor of the State acting through the State Historic Preservation Officer (hereafter referred to as the "Grantee") for the purpose of the (acquisition, protection, stabilization, preservation, rehabilitation, restoration, and/or reconstruction) of a certain Property known as (enter the property name as it is listed on the National Register of Historic Places), located at (enter the street address, city, county, and State), which is owned in fee simple by the Subgrantee and is listed on the National Register of Historic Places.

The Property is comprised essentially of grounds, collateral, appurtenances, and improvements and is known as the (enter the property name). The property is more particularly described as follows:

[Include city reference, consisting of repository, book, and page number(s).]

In consideration of the sum of (enter the HPF grant amount) received in grant-in-aid assistance through the Grantee from the National Park Service, United States Department of the Interior, the Subgrantee hereby agrees to the following for a period of five (5) years (or enter the required term):

1. The Subgrantee agrees to assume the cost of the continued maintenance and repair of said Property so as to preserve the architectural, historical, or archeological integrity of the same in order to protect and enhance those qualities that made the Property eligible for listing in the National Register of Historic Places.

2. The Subgrantee agrees that no visual or structural alterations will be made to the property without prior written permission of the Grantee.

3. The Subgrantee agrees that the Grantee, its agents and designees shall have the right to inspect the property at all reasonable times in order to ascertain whether or not the conditions of this agreement are being observed.

4. The Subgrantee agrees that when the property is not clearly visible from a public right-of-way or includes interior work assisted with Historic Preservation Fund grants, the property will be open to the public, for the purpose of viewing the grant-assisted work, no less than 12 days a year on an equitably spaced basis and at other times by appointment. Nothing in this agreement will prohibit the Subgrantee from charging a reasonable, nondiscriminatory admission fee, comparable to fees charged at similar facilities in the area.

5. The Subgrantee further agrees that when the Property is not open to the public on a continuing basis, and when the improvements assisted with Historic Preservation Fund grants are not visible from the public way,

notification will be published in newspapers of general circulation in the community area in which the Property is located giving dates and times when the Property will be open. Documentation of such notice will be furnished annually to the State Historic Preservation Officer during the term of the agreement.

This agreement shall be enforceable in specific performance by a court of competent jurisdiction.

Signature of Grantee (SHPO)

Signature of Subgrantee

(enter date of signature)

(enter date of signature)

## EXHIBIT 6-B

## REAL PROPERTY APPRAISAL REQUIREMENTS

The allowable cost of acquired or donated property must be based on appraisals by independent professional appraisers.

For property valued at $100,000 and above, two appraisals (with one State appraiser permissible) must be obtained;

For property valued between $100,000 and $50,000, one independent appraisal (with the provision that a second appraisal may be requested by NPS) must be obtained;

For property valued at $49,999 and below, one independent appraisal must be obtained.

Appraisal reports must conform to "Data Documentation and Appraisal Reporting Standards," Uniform Appraisal Standards for Federal Land Acquisition, 1973.

Real property must be appraised prior to the purchase and the property owner must indicate that he/she has been informed of the appraised value of the property (see Chapter 21, Uniform Relocation Assistance and Real Property Acquisition Policies).

The appraisal must be an analytical narrative report following the format established by the "Uniform Appraisal Standards for Federal Land Acquisitions" (following this Exhibit). Each appraisal must be independently prepared by appraisers, and not based on any previous appraisal of the same property.

Appraisal certification. The State Historic Preservation Officer certifies, by his/her action in forwarding appraisal information with the Informational SF 424, that the appraisal used as a basis for establishing the purchase price is an accurate and reasonable reflection of the current market value.

The grantee will maintain the required appraisals in its project files, readily available for NPS review. The following appraisal information must be provided as part of the project application: names(s) and address(es) of the appraiser(s); date(s) and value(s) of the appraisal(s); and descriptions of the property.

For property to be acquired for less than the appraised value, see Chapter 14, Matching Share.

In accordance with the Uniform Appraisal Standards for Federal Land Acquisition, the value of a historic property will be calculated after consideration of the results derived from all of the following five methods:

1. Analysis of highest and best use. The appraisal report will state the highest and best market use that can be made of the property (land and improvements, and where applicable, machinery and equipment for which there is a current market).

2. Land value. The appraiser's opinion of the value of the land will be based upon its highest and best use, regardless of any existing structures and be supported by confirmed current factual data (sales and offerings) of comparable, or nearly comparable, lands having like optimum uses. Differences will be weighed and explained to show how they indicate the value of the land being appraised.

3. Value estimate of cost approach. This section will be in the form of computative data, arranged in sequence, beginning with reproduction or replacement cost, and will state the source (book and page if a national service) of all figures used. The dollar amounts of physical deterioration and functional economic obsolescence, or the omission of same, will be explained in a narrative form. This procedure may be omitted on improvements, both real and personal, for which only a salvage or scrap value is estimated.

4. Value estimate by income approach. This will include adequate factual data to support each figure and factor used and will be arranged in detailed form to show at least: (1) estimated gross rent or income; (2) an itemized estimate of total expenses including reserves for replacements. Capitalization of net income will be at the rate prevailing for this type of property and location. The capitalization technique, method, and rate used will be explained in narrative form supported by a statement of sources of rates and factors.

5. Value estimate by comparative (market) approach. All comparable sales used will be confirmed by the buyer, seller, broker, or other person having knowledge of the price, terms, and the conditions of sale. Each comparable sale will be weighed and explained in relation to the subject property to indicate the reasoning behind the appraiser's final value estimate from this approach.

6. Establishment of fair market value by court proceedings. If a historic property is acquired through judicial proceedings, the price determined by the court will be accepted.

7. Statement of differences in value. Appraisals prepared by a professional appraiser should result in an acceptable estimate of property value; however, the estimate cannot be assumed to be an absolute statement of value. The approved appraisal value will ordinarily be the maximum allowable amount representing just compensation to be offered to the owner (seller). In exceptional circumstances the negotiation between a willing seller and a willing buyer will set a price that is higher than the appraisal, and this market value may be considered with the appraisal in establishing the reasonable limits of Historic Preservation Fund assistance. When the grantee believes that the negotiated price is an adequate indication of market value, yet is higher than the appraised value, a justification of this difference, with appraisal documents, must be submitted as part of the Informational SF 424 subgrant notification. This statement must explain why the selling price does not reflect the appraised fair market value, the steps the grantee

took to establish the fair market value, and its reasons for accepting the higher value. If the NPS agrees that the circumstances and the negotiated price represent a reasonable estimate of the worth of the property, that amount may be eligible for assistance; if not, the HPF Federal share of the purchase price will be limited to one-half of the appraised market value.

8. Required Appraisal Report format. Grantees must obtain appraisal reports that include the documentation required by the "Uniform Appraisal Standards for Federal Land Acquisitions," published in 1973 by the Interagency Land Acquisition Conference. This publication is available from the Government Printing Office (stock #052-059-00002-0). Grantees must secure, and maintain on file, property appraisals completed as follows:

PART I -- INTRODUCTION

1. TITLE PAGE. This shall include (a) the name and street address of the specified location of the property, (b) the name of the individual making the report and (c) the effective date of the appraisal.

2. TABLE OF CONTENTS.

3. LETTER OF TRANSMITTAL.

4. PHOTOGRAPHS. Pictures shall show at least the front elevation of the major improvements, plus any unusual architectural features. There should also be views of the abutting properties on either side and the property directly opposite. When a large number of buildings are involved, one picture may be used for each type. Views of the best comparable properties should be included whenever possible. Except for the overall view, photographs may be bound as pages facing the discussion or description which the photographs concern. All graphic material shall include captions. Photographs for archeological sites should attempt to document the areas to be affected by archeological investigation, as well as any above-ground features.

5. STATEMENT OF LIMITING CONDITIONS AND ASSUMPTIONS.

6. REFERENCES. If preferred, may be shown with applicable approach.

PART II -- FACTUAL DATA

7. PURPOSE OF THE APPRAISAL. This shall include the reason for the appraisal, and definition of all values required, and property rights appraised.

8. LEGAL DESCRIPTION. This description shall be so complete as to properly identify the property appraised. If lengthy, it should be referenced and included in Part IV of these Standards. If furnished by the Federal Government, and it would require lengthy reproduction, incorporate references only.

9. AREA, CITY AND NEIGHBORHOOD DATA. This data (mostly social and economic) should be kept to a minimum and should include only such information as directly affects the appraised property together with the appraiser's conclusions as to significant trends.

10. PROPERTY DATA.

   a. Site. Describe the soil, topography, mineral deposits, easements, etc. A statement must be made concerning the existence or nonexistence of mineral deposits having a commercial value. In case of a partial taking, discuss access both before and after to the remaining tract. Also discuss the detrimental and hazardous factors inherent in the location of the property.

   b. Improvements. This description may be by narrative or schedule form, and shall include dimensions, cubic and/or square foot measurements, and where appropriate, a statement of the method of measurement used in determining rentable areas as full floor, multi-tenancy, etc.

   c. Equipment. This shall be described by narrative or schedule form, and shall include all items of equipment, including a statement of the type and purpose of the equipment and its present state. The current physical condition and relative use and obsolescence shall be stated for each item or group appraised, and, whenever applicable, the repair or replacement requirements to bring the property to useable conditions.

      Any related personal property or equipment, such as tenant trade fixtures, which are not attached or considered part of the realty, shall be separately inventoried. Where applicable, these detachable, individually owned items shall be separately valued.

   d. History. State briefly the purpose for which the improvements were designed, dates of original construction and major renovation and/or additions. Include, for privately owned property, a 10-year record as to each parcel, of all sales and, if possible, offers to buy or sell, and recent lease(s); if there has been no sale in the past 10 years, include a report of the last sale.

   e. Assessed value and annual tax load. Include the current assessment and dollar amount of real estate taxes. If the property is not taxed, the appraiser shall estimate the assessment in case it is placed upon the tax roll, state the rate, and give the dollar amount of the tax estimate.

   f. Zoning. Describe the zoning for subject and comparable properties. Where Government-owned, state what the zoning probably will be under private ownership. If rezoning is imminent, discuss further under item 11.

## PART III -- ANALYSES AND CONCLUSIONS

11. ANALYSIS OF HIGHEST AND BEST USE. The report shall state the highest and best use that can be made of the property (land and improvement and where applicable, machinery and equipment) for which there is a current market. The valuation shall be based on this use.

12. LAND USE. The appraiser's opinion of the value of the land shall be supported by confirmed sales of comparable, or nearly comparable lands having like optimum uses. Differences shall be weighed and explained to show how they indicate the value of the land being appraised.

13. VALUE ESTIMATE BY COMPARATIVE (MARKET) APPROACH. All comparable sales used shall be confirmed by the buyer, seller, broker, or other person having knowledge of the price, terms and conditions of sale. Each comparable sale shall be weighed and explained in relation to the subject property to indicate the reasoning behind the appraiser's final value estimate from this approach.

14. VALUE ESTIMATE BY COST APPROACH, if applicable. This section shall be in the form of computative data arranged in sequence, beginning with reproduction or replacement cost, and shall state the source (book and page if a national service) of all figures used. The dollar amount of physical deterioration and functional and economic obsolescence, or the omission of same, shall be explained in narrative form. This procedure may be omitted on improvements, both real and personal, for which only a salvage or scrap value is estimated.

15. VALUE ESTIMATE BY INCOME APPROACH, if applicable. This shall include adequate factual data to support each figure and factor used and shall be arranged in detailed form to show at least (a) estimated gross economic rent or income; (b) allowance for vacancy and credit losses; (c) an itemized estimate of total expenses including reserves for replacements.

    Capitalization of net income shall be at the rate prevailing for this type of property and location. The capitalization technique, method, and rate used shall be explained in narrative form supported by a statement of sources of rates and factors.

16. INTERPRETATION AND CORRELATION OF ESTIMATES. The appraiser shall interpret the foregoing estimates and shall state his reasons why one or more of the conclusions reached in items 13, 14, and 15 are indicative of the market value of the property.

17. CERTIFICATION. This shall include the statement that the appraiser has no undisclosed interest in the property, and that he has personally inspected the premises, date, and amount of value estimate, etc.

PART IV -- EXHIBITS AND ADDENDA

18. LOCATION MAP. (Within the city or area.)

19. COMPARATIVE MAP DATA. Show geographic location of the appraised property and the comparative parcels analyzed.

20. DETAIL OF THE COMPARATIVE DATA.

21. PLOT PLAN.

22. FLOOR PLANS. (When needed to explain the value estimate.)

23. OTHER PERTINENT EXHIBITS.

24. QUALIFICATIONS. (For all appraisers and/or technicians contributing to the report).

## EXHIBIT 6-C

## CONSTRUCTION SPECIFICATION TERMS

The following provides a listing of commonly used categories or major work elements derived from the uniform construction index. It is recommended that the terminology (those terms in **bold** print) be used when preparing budget estimates for major work categories for individual development projects/subgrants/contracts. While States will require more specific information from subgrant applicants under each category to select projects, requiring applicants to use these categories will facilitate State and NPS review, and provide for improved monitoring and documentation of work performed. The specific, more detailed work items in parentheses ( ) are provided only as a guide to explain the type of detailed work which falls into the major work categories.

1. **General Conditions.** (start-up costs, scaffolding, project sign);

2. **Sitework.** (subsurface investigation, demolition, drainage, underpinning);

3. **Concrete.** (poured-in-place concrete, precast concrete, concrete restoration and cleaning);

4. **Masonry.** (mortar, unit masonry, stone, masonry restoration and cleaning);

5. **Metals.** (structural metal framing, metal finishes and restoration);

6. **Wood and Plastics.** (rough carpentry, finish carpentry, architectural woodwork, millwork);

7. **Thermal and Moisture Protection.** (waterproofing, dampproofing, insulation, roofing, flashings);

8. **Doors and Windows.** (doors and frames, entrances and storefronts, window repair and restoration, window replacement, hardware);

9. **Finishes.** (lath and plaster, gypsum wallboard, ceramic tile, wood, brick, and stone flooring, painting);

10. **Specialties.** (fire extinguishers and cabinets);

11. **Equipment.** (not generally applicable) when eligible, refer to Chapter 13;

12. **Furnishings.** (not generally applicable) when eligible, refer to Chapter 13.

13. **Special Construction.** (solar and wind energy systems);

14. **Conveying Systems.** (elevators);

15. **Mechanical.** (plumbing, fire protection, heating, cooling, air distribution); and

16. **Electrical.** (service and distribution, lighting).

## EXHIBIT 6-D

## PROJECT NOTIFICATION (INFORMATIONAL SF 424) FOR SUBGRANTS

### A. INSTRUCTIONS FOR COMPLETING THE INFORMATIONAL SF 424

This form is only to be used to notify the NPS of subgrant, contract, or individual project activity that will be awarded HPF assistance or whose costs will be used to meet matching share requirements as part of an approved grant. (This shaded form will not be accepted as the face sheet for the annual or continuation grant application, or for any grant application to obligate funds.)

Item numbers are keyed to the Informational SF 424. Instructions are not provided for shaded items, as this information is not needed for subgrant notifications, and should be left blank. Grantees shall complete Sections I and II of the Informational SF 424 and shall provide additional information as required in Sections B. and C. below. Use separate sheets for providing the additional information. Samples are provided for several types of subgrant activity.

**SECTION I:** (to be completed by the Grantee).

Item 2 Optional.

Item 4 a/h Complete all sections. Include FAADS codes. See Chapter 7, pp. 13-19.

Item 6 Enter: 15.904, Historic Preservation

Item 7 Include: a) name of project; b) location of project (do not include location of subgrantee); c) Program Area (show only one Attachment A Program Area); and d) funding ratio (50/50 or 70/30) of grant from which this subgrant is being assisted.

Item 8 Enter the appropriate letter which best describes the status of the subgrantee or contractor. For private organizations, non-profit organizations, and individuals, enter "K" and specify.

Item 12 Complete a and f, and b when applicable. (Although nonfederal matching funds may be provided by an organization other than the grantee (SHPO), the grantee is the applicant for Federal assistance and is ultimately responsible for ensuring that matching share requirements are met.)

For amendments, enter only the amount of the dollar change in the Federal, nonfederal and/or total project cost(s).

Item 13 b. Enter the congressional district(s) in which the project (not the subgrantee) is located.

Item 14 Complete as appropriate.

Item 15 Enter the "proposed" project start date. The proposed start date should be at least 20 calendar days after submission to the NPS Regional Office.

Item 16 Complete. Project periods should not exceed the annual or continuation grant funding period, whichever is applicable, under which the subgrant or contract is awarded. (Refer to Continuation Grant procedures, i.e., listing of continuing contractual commitments should indicate real project end dates, and approval of the Continuation Grant application = approval for these project end dates up to the Continuation Grant end date.)

Item 17 Complete for amendments only.

Item 19 Enter: National Park Service, and specify the appropriate Regional Office.

Item 20 Insert the project number (previously assigned by the NPS) for the appropriate grant (annual or continuation) from which the subgrant is being funded.

Item 21 Mark: "YES"

**SECTION II**:

Item 23 a/b/: Self-explanatory. The signature must be that of the SHPO or authorized designee. The signature must be dated.

B. The following information is applicable to all subgrants or contracts (as defined in Chapter 6, Section C.5.b) and must be provided as part of the Project Notification. Use additional sheets and attach to the Informational SF 424.

1. Provide the name and address of the subgrantee or contractor. Include full legal name of organization, unit of local government or individual with whom the State will enter into a grant agreement or contract. (Note: For acquisition subgrants the subgrantee is the "purchaser" of the property.) Contact person may be listed in addition to, but not in lieu of, the subgrantee.

2. List donor, source, kind and amount of nonfederal matching funds (if any) to be applied to this activity.

   donor: indicate "subgrantee" if donor, or list name(s) of other donor(s);

source: indicate where the funds are coming from (i.e., "operating funds", "private donation", "appropriated funds", "CDBG", etc., or state "nonfederal." The source of the match should be carefully evaluated by the SHPO to ensure it is eligible match.

kind: indicate the type of match (i.e., "cash", "in-kind services", "in-kind equipment", "indirect costs", "volunteer services" (see Chapter 14). If non-cash, indicate the rate at which it is valued and/or verify that the rate has been reviewed by the SHPO.

The total nonfederal share from all sources must be at least equal to the amount entered in Section I, Item 12.b. on the Informational SF 424. (Note: This figure can be used in deriving data for Attachment B of the End-of-Year Report, although any revisions to the initial estimated amount should be used for the End-of-Year Report.)

3. Provide a simple budget which includes major work elements and the cost of each element for nonconstruction. Major work elements may include items such as: personnel, supplies, equipment, travel, printing, administration, support services, indirect cost (if applicable), etc. If the budget includes "contractual services", indicate what the contract is for in parenthesis, e.g., Contractual (professional consultant). For development, use the construction terminology provided in Exhibit 6-C for major work elements to the extent possible. The budget must provide enough detail to allow for an administrative review by NPS. NOTE: Prior NPS approval is required for equipment costing in excess of $300. (See Chapter 13, Section C.4.)

4. Provide a brief summary of how the work is to be accomplished and list products that will result from this subgrant. The work summary statement must evidence compliance with the applicable Secretary of the Interior's Standards and Guidelines. For development work the summary list should clearly relate to the major work elements provided in the budget as line items. Each budget line item should have a corresponding narrative statement about the work that will be accomplished for the stated cost.

5. List project beginning and end dates: If the project beginning date precedes the date shown in Item 15 on the SF 424, please justify so that NPS may make a determination as to the acceptability of preagreement costs if necessary.

6. Provide the certification statement appropriate to the type of project involved and the Secretary's Standards that apply.

7. Attach either an Environmental Certification or an Environmental Assessment (see Chapter 11).

8. If a subgrant/contract includes workshops, conferences, or publications, also indicate if these are to be made available free of charge or, if there is a fee, indicate the estimated amount of program income that will be produced and the method of handling this income (see Chapter 16 and OMB Circular A-102, Attachment E).

C. In addition to the information required in B. above, provide the following information for the specific subgrants or contracts as indicated:

1. NONCONSTRUCTION

a. For Survey subgrants/contracts the summary of work must state in Item 4:

1) Type of survey to be done (architectural, historical or archeological);
2) Level of documentation to be produced (intensive or reconnaissance);
3) The number of reports and/or other products that will be produced.

b. For National Register subgrants/contracts state in Item 4:

1) Type of nomination(s) to be prepared (e.g., individual, district, thematic);
2) Estimated number of nominations to be prepared;
3) Estimated number of contributing properties to be contained in nomination(s).

c. For Planning subgrants/contracts state in Item 4:

1) Type of plan, report or guideline (historic structure report, historic district guidelines, etc., to be produced);
2) Who will use the report produced;
3) How this planning effort relates to the State's comprehensive planning process.
4) The number and nature of products that will be produced.

d. For Other subgrants/contracts state in Item 4:

1) Purpose of subgrant and how it will be carried out;
2) Quantify products wherever possible.

NOTE: The "Other" Program Area applies to subgrants/contracts that cross-cut several program areas, and because the subcategory costs and work activities are more or less equal, cannot be properly classified in one program area. An example would be a workshop or brochure that covered all SHPO

activities. (However, workshops or brochures that fall under a specific program area (i.e., Tax Act, or National Register) should be listed on the "Other" line within the applicable program area.)

e. For multipurpose subgrants/contracts identify the Program Areas involved and provide the information required (above) for each type of activity. (Generally multipurpose subgrants are not fundable under 70/30 unless all of the included activities are 70/30 eligible.)

f. Provide the following certification:

I certify that this project/subgrant will be administered and work will be performed in accordance with the National Register Programs Manual and the applicable Secretary of the Interior's Standards and Guidelines and that all documentation required by the Manual will be maintained on file for audit and State Program Approval purposes.

2. DEVELOPMENT. **In addition to the information required in Part B above:**

a. Provide the name and address of the property owner (if different than the subgrantee or contractor) under Item 1.

b. To the extent possible, use the construction terminology provided in Exhibit 6-C for the budget in Item 3.

c. If preagreement costs are included in the work/cost breakdown, clearly identify these costs by item, amount, and date costs were first incurred as Item 9.

Include a statement that all predevelopment work has been completed prior to the submission of the Project Notification to NPS, and that plans, specifications, and other necessary predevelopment work have been professionally reviewed by a qualified historical architect or architectural historian, or that this required documentation will be obtained prior to the disbursement of any HPF grant assistance for the subgrant.

d. If work is to be performed outside the scope of this subgrant or contract during the subgrant period, summarize the work elements and estimated costs that are not a part of the subgrant agreement as Item 10.

e. Provide the following certification:

I certify that this project will be administered and work will be performed in accordance with the National Register Programs Manual and the applicable Secretary's Standards for Historic Preservation Projects; that all documentation required by the Manual will be maintained on file for audit and State Program

Approval purposes; and that the required covenant (or letter of agreement) will be executed by the owner of record prior to the release of Federal funds.

(If the costs of the project are being used solely for matching share purposes, the covenant or letter of agreement should be executed at the time the subgrant agreement is executed, since there will be no release of Federal funds.)

f. Provide two 8x10-inch black and white glossy photographs.

3. ACQUISITION. **In addition to the information required in Part B above:**

a. Provide the name and address of the property owner (the seller) in Item 1.

b. Provide the following appraisal information as Item 9:

   1) Name and address of appraiser; (two appraisals are required if the value of the property exceeds $100,000);

   2) Date of the appraisals(s);

   3) Appraised value of the property;

   4) A statement from the seller indicating that he/she is aware of the appraised value and has been offered just compensation;

   5) A statement that a copy of the appraisal(s) is on file with the SHPO and that the appraisal documents meet the requirements in Exhibit 6-B.

c. If relocation assistance is involved, explain as Item 10. (See Chapter 21.)

d. Indicate if the property is to be sold as part of a revolving fund, and provide the date of written NPS approval for participation in the revolving fund as Item 11.

e. Provide the following certification:

I certify that the Fair Market Value of this property is the amount established by the appraisal; that this subgrant will be administered and that the acquisition will be performed in accordance with the National Register Programs Manual and the Secretary's Standards for Historic Preservation Projects; that all documentation required by the Manual will be maintained on file for audit and State Program Approval purposes, and that the required covenant will be executed by the owner of record prior to the release of Federal funds.

**SAMPLE**, Informational SF 424 **NONCONSTRUCTION** (Archeological Survey)

1. Subgrantee: Slippery Rock University, Main Street, Rural, VT 02851
(Contact: Dr. John Houston)

2. Nonfederal matching share:

Donor: subgrantee
Source: Anthropology Dept. budget
Kind: in-kind services
Amount: $2,130

3. Budget:

| | |
|---|---|
| Personnel | $3,000 |
| Principal invest. -- 10 days @ $160/day | |
| Crew (4) -- 7 days @ $50/day | |
| Fringe benefits @ $200 | |
| Travel/per diem* | $ 925 |
| Indirect Costs ** | $2,104 |
| Supplies | $ 225 |
| Rental equipment (truck/8 days) | $ 600 |
| Report duplication | $ 246 |

$7,100 Total Project Cost
$4,970 Federal share
$2,130 Nonfederal share

*Site is more than 50 miles from University
**Federally approved rate (DEd), signed agreement is on file at SHPO.

4. The purpose of the project is to obtain missing data identified by our comprehensive planning process. The work will be conducted to assist the State in meeting the Secretary of the Interior's Standards for Planning (Standard I).

The project will be accomplished under the direct supervision of Dr. John Houston, of the subgrantee's staff, who meets 36 CFR 61 qualifications in both historic and prehistoric archeology. The work will consist of reconnaissance level survey to record a sample of prehistoric and historic archeological sites from representative environmental zones in the 4.0 square miles Wetwater River Basin to assess cultural resource sensitivity of the area. The work will include interviews and transect survey with subsurface testing of .4 square miles. Located sites will be investigated to a level sufficient to complete State inventory forms, but not to the level necessary to determine eligibility for the National Register. Twenty-five workdays will be allocated to fieldwork and project management on this area; thirteen workdays to lab work and report preparation.

Products: Survey report, site inventory forms (est. 20), cultural resource sensitivity assessment.

5. Beginning/End Dates: March 1, 1984 - June 30, 1984.

6. Certification: I certify that this subgrant will be administered and work will be performed in accordance with the National Register Programs Manual and the applicable Secretary of the Interior's Standards and Guidelines and that all documentation required by the Manual will be maintained on file for audit and State Program Approval purposes.

7. An Environmental Certification is attached.

8. No program income will be generated.

**SAMPLE**, Informational SF 424 **DEVELOPMENT**

1. a) Subgrantee: Historical City Heritage Society, 2222 Monument Street, Historical City, WV 99999. Contact: Ms. Harriet Maloney

   b) Property Owner: Ms. Jane Deer, 12345 East West Street, Historical City, WV 99999

2. Nonfederal Matching Share:

   Donor: Ms. Jane Deer (owner)
   Source: Loan
   Kind: Cash
   Amount: $7,200

   Donor: Subgrantee
   Source: Contributions from Society members
   Kind: Cash
   Amount: $4,950

   Donor: Ms. Jane Deer (owner)
   Source: Same as donor
   Kind: Donated Labor
   Amount: $350 (104 hours @ $3.35 an hour)

3. Budget:

| | |
|---|---|
| Architectural plans and specifications, structural investigations | $ 3,500 |
| Tuckpointing and rebuilding chimney, including metal liner, chimney top damper and flashings | $ 1,900 |
| Roofing, including removal of existing | $ 9,000 |
| shingle, installation of 10"-#1 red cedar shingles over spaced sheathing and roofing felts with galvanized, painted flashings, gutters and downspouts | $ 10,600 |
| Total | $ 25,000 |

4. a. The purpose of the project is to repair/reconstruct the chimney and replace the roof of this 1880 Victorian Gothic residence, the most visible and important building in the West End Historic District. The subgrantee will contract for the work using appropriate procurement procedures, except that the property owner will provide the labor for painting portions of the woodwork.

b. Architectural Plans, Specifications, Structural Investigation: The architect has provided plans and detailed specifications for the roof work and chimney repairs. Percentage of necessary in-kind replacement of siding and exterior trim has been determined and specified by the architect. Where accessible, structural members have been examined for soundness and possible pest infestation; where inaccessible, neighboring fabric has been examined for indications of shifting, or damage to, structural supports. A report on structural conditions has been prepared by the architect.

The architect will supervise all work to ensure compliance with the Secretary of the Interior's Standards for Historic Preservation Projects. The architect is a qualified architectural historian meeting the requirements of 36 CFR 61.

c. Masonry: Tuckpointing, where necessary on the chimney, will be done in a manner to match the existing joint profiles; new mortar will match the existing in composition, color and texture. The same mortar and existing brick will be used to rebuild portions of the chimney, as required. A new metal liner and chimney top will be installed to meet code requirements.

d. Thermal and Moisture Protection: The existing asphalt roof shingles will be removed to expose the bare sheathing. Damaged sheathing will be replaced in-kind; roofing felt will be applied with galvanized nails and three-inch overlaps in the direction of water run-off. New galvanized flashing will be installed at the chimney, roof edges, and valleys. Ten-inch #1 red cedar shingles will be applied (documentation shows that the roof was originally wood shingled).

e. Woods and Plastics: New galvanized half-round gutters and round downspouts will be installed. Deteriorated and damaged clapboards and trim will be replaced in-kind (possible 15 percent replacement necessary).

f. Finishes: All new metal flashing, gutters, downspouts and woodwork will be primed and painted with two coats of finish paint in appropriate historic colors (to be determined by paint analysis).

5. Beginning/End Dates: April 1, 1984 - August 1, 1984.

6. Certification: I certify that this subgrant will be administered and work will be performed in accordance with the National Register Programs Manual and the Secretary's Standards for Historic Preservation Projects; that all documentation required by the Manual will be maintained on file for audit and State Program Approval purposes, and that the required covenant will be executed by the owner of record prior to the release of Federal funds.

7. An Environmental Certification is attached.

8. Program income will not be generated.

9. Preagreement Costs (architectural services) were first incurred on October 10, 1983. Costs of $3,500 are included in the budget and will be claimed as eligible project costs. Plans and specifications have been completed and have been professionally reviewed by a qualified architectural historian.

10. No work is being performed outside the scope of the subgrant.

Two 8X10-inch black and white glossy photographs are enclosed as required, plus six slides showing selected views (labeled) of existing conditions.

**SAMPLE**, Informational SF 424 **ACQUISITION**

1. a) Subgrantee: (Purchaser) Historical City Preservation Commission, 1111 North Street, Historical City, Preservation 99999.

   b) Property owner: (Seller) Ms. Jane Deer, 12345 East West Street, Historical City, Preservation 99999.

2. Nonfederal Matching Share:

   Donor: Subgrantee
   Source: Contributions
   Kind: Cash
   Amount: $50,500

3. Budget:

| | |
|---|---|
| Purchase of Property | $100,000 |
| Appraisal Fee | 1,000 |
| Total | $101,000 |

4. The purpose of the project is to acquire the property which is threatened by demolition because no other options are viable. The subgrantee will subsequently sell the property to a qualified owner after recording appropriate covenants. The buyer will be required to provide acceptable rehabilitation work as a condition of sale.

5. Beginning/End Dates: February 15, 1984 - April 15, 1984.

6. Certification: I certify that the Fair Market Value of this property is the amount established by the appraisal; that this subgrant will be administered and that the acquisition will be performed in accordance with the National Register Programs Manual and the Secretary's Standards for Historic Preservation Projects; that all documentation required by the Manual will be maintained on file for audit and State Program Approval purposes, and that the required covenant will be executed by the owner of record prior to the release of Federal funds.

   Two 8x10-inch black and white glossy photographs are enclosed.

7. Environmental Certification is attached.

8. Program income will not be generated.

9. Appraisal Information:

   a. Appraiser: Mr. John Doe, 1 Main Street, Historical City, Preservation 99999.

   b. Date of appraisal: June 1, 1984.

   c. Appraised value: $100,000.

   d. The seller accompanied the appraiser, has been informed of the appraised value, and has been provided an offer of just compensation ($100,000) for the property.

   e. A copy of the appraisal report is on file with the SHPO. The appraisal has been reviewed and the SHPO has determined that the appraisal documents meet the requirements of the Manual.

10. Relocation assistance is not applicable.

11. The property will be sold as part of a revolving fund. Written NPS concurrence for participation in the revolving fund was obtained on October 1, 1983.

OMB Approval No. 0348–0006

# FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION *(Mark appropriate box)*
☐ NOTICE OF INTENT (OPTIONAL)
☐ PREAPPLICATION
☐ APPLICATION

2. APPLICANT'S APPLICATION IDENTIFIER
a. NUMBER
b. DATE *Year month day* 19

3. STATE APPLICATION IDENTIFIER
NOTE: TO BE ASSIGNED BY STATE
a. NUMBER
b. DATE ASSIGNED *Year month day* 19

*Leave Blank*

# INFORMATIONAL SF424

SECTION I—APPLICANT/RECIPIENT DATA

4. LEGAL APPLICANT/RECIPIENT
a. Applicant Name :
b. Organization Unit :
c. Street/P.O. Box :
d. City : e. County
f. State : g. ZIP Code.
h. Contact Person *(Name & Telephone No.)* :

5. EMPLOYER IDENTIFICATION NUMBER (EIN)

6. PROGRAM *(From CFDA)*
a. NUMBER ☐☐.☐☐☐
MULTIPLE ☐
b. TITLE

7. TITLE OF APPLICANT'S PROJECT (Use section IV of this form to provide a summary description of the project.)

8. TYPE OF APPLICANT/RECIPIENT
A—State
B—Interstate
C—Substate Organization
D—County
E—City
F—School District
G—Special Purpose District
H—Community Action Agency
I—Higher Educational Institution
J—Indian Tribe
K—Other *(Specify):*
*Enter appropriate letter* ☐

9. AREA OF PROJECT IMPACT *(Names of cities, counties, states, etc.)*

10. ESTIMATED NUMBER OF PERSONS BENEFITING

11. TYPE OF ASSISTANCE
A—Basic Grant
B—Supplemental Grant
C—Loan
D—Insurance
E—Other
*Enter appropriate letter(s)* ☐☐

12. PROPOSED FUNDING

| | | |
|---|---|---|
| a. FEDERAL | $ | .00 |
| b. APPLICANT | | .00 |
| c. STATE | | .00 |
| d. LOCAL | | .00 |
| e. OTHER | | .00 |
| f. Total | $ | .00 |

13. CONGRESSIONAL DISTRICTS OF:
a. APPLICANT
b. PROJECT

14. TYPE OF APPLICATION
A—New
B—Renewal
C—Revision
D—Continuation
E—Augmentation
*Enter appropriate letter* ☐

15. PROJECT START DATE *Year month day* 19

16. PROJECT DURATION *Months*

17. TYPE OF CHANGE *(For 14c or 14e)*
A—Increase Dollars
B—Decrease Dollars
C—Increase Duration
D—Decrease Duration
E—Cancellation
F—Other *(Specify):*
*Enter appropriate letter(s)* ☐☐☐

18. DATE DUE TO FEDERAL AGENCY ► *Year month day* 19

19. FEDERAL AGENCY TO RECEIVE REQUEST
a. ORGANIZATIONAL UNIT (IF APPROPRIATE)
b. ADMINISTRATIVE CONTACT (IF KNOWN)
c. ADDRESS

20. EXISTING FEDERAL GRANT IDENTIFICATION NUMBER

21. REMARKS ADDED
☐ Yes ☐ No

SECTION II—CERTIFICATION

22. THE APPLICANT CERTIFIES THAT►

To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved.

a. YES, THIS NOTICE OF INTENT/PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:
DATE ____________________

b. NO, PROGRAM IS NOT COVERED BY E.O. 12372 ☐
OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW ☐

23. CERTIFYING REPRESENTATIVE
a. TYPED NAME AND TITLE
b. SIGNATURE

SECTION III—FEDERAL AGENCY ACTION

24. APPLICATION RECEIVED *Year month day* 19

25. FEDERAL APPLICATION IDENTIFICATION NUMBER

26. FEDERAL GRANT IDENTIFICATION

27. ACTION TAKEN
☐ a. AWARDED
☐ b. REJECTED
☐ c. RETURNED FOR AMENDMENT
☐ d. RETURNED FOR E.O. 12372 SUBMISSION BY APPLICANT TO STATE
☐ e. DEFERRED
☐ f. WITHDRAWN

28. FUNDING

| | | |
|---|---|---|
| a. FEDERAL | $ | .00 |
| b. APPLICANT | | .00 |
| c. STATE | | .00 |
| d. LOCAL | | .00 |
| e. OTHER | | .00 |
| f. TOTAL | $ | .00 |

29. ACTION DATE► *Year month day* 19

30. STARTING DATE *Year month day* 19

31. CONTACT FOR ADDITIONAL INFORMATION *(Name and telephone number)*

32. ENDING DATE *Year month day* 19

33. REMARKS ADDED
☐ Yes ☐ No

NSN 7540–01–008–8162
PREVIOUS EDITION IS NOT USABLE

424–103

STANDARD FORM 424 PAGE 1 (Rev. 4–84)
*Prescribed by OMB Circular A-102*

## EXHIBIT 6-E

## HISTORIC STRUCTURE REPORT FORMAT

The historic structure report is required when a grant-assisted rehabilitation, restoration, or reconstruction project involves fabricating significant missing architectural or landscape features, recapturing the appearance of a property at one particular period of its history, or removing later additions. The historic structure report must be completed prior to the preparation of an application by the subgrantee requesting HPF assistance for development work. The construction phase of planned development work will not be approved until the required documentation has been satisfactorily completed. When it is desirable to carry out measured drawings or photographic documentation to HABS/HAER standards, see Chapter 6, Section E.11.g. The following is the recommended format for a historic structure report.

**Table of Contents**

**Foreword or introduction**, when appropriate
  Purpose of the Report
  Preservation Objectives

**Brief History of the Property**
  Significance and Historic Events, Persons Associated, Ownership History, etc.

**Construction History** (Original)
  Chronology
  Historical Documentation (Letters, Diairies, Vouchers, Newspaper Articles, etc.)
  Site Work (including ordering materials, construction, unusual craft work, etc.)
  Reference to Craftsmen/Builders/Architects associated with the property
  Early Views, Photographs, etc.

**Alterations and Changes** (Physical Evolution of the Structure)
  Chronology, Description, and Documentation
  Construction Related Documents, Contemporary Descriptions, Photographs (early), Architectural Investigation, Archeology

**Exterior of Building** (Architectural Description of the Exterior Fabric)
  Assessment of the exterior features of the building and the site, and identification of those features that are character-defining and must, therefore, be preserved in the course of the project work. (Roof, Walls, Foundation, Chimneys, Windows and Doors, Entrances, Porches, Porte-Cocheres, Paints and Finishes/Details/Embellishments), Mortar Analysis (if appropriate)

**Interior of Building** (Architectural Description of the Interior Fabric)
- Assessment of the interior features and identification of those features that are character-defining and therefore, must be preserved in the course of the project work
- Plan and Building Mechanical Systems (heating, lighting, plumbing, electric, etc.)
- Room-by-Room Analysis, identifying material, construction techniques, mouldings, paint finishes
- Floors, Walls, Ceilings, Woodwork, Doors, Windows

**Existing Conditions**
- Analysis of existing conditions, damage, structural problems, materials deterioration, etc.
- Needs for architectural conservation

**The Proposed Project Work**
- Recommendations for Necessary Work based on Existing Conditions and Preservation Objectives (List of Work Priorities, Phasing, Estimated Costs)
- Architectural Work
- Structural Work
- Mechanical Work
- Archeological Work
- Other Work (such as special finishes)

**Measured Drawings, Architectural Plans, Elevations, Section, Details, Photographs of Details and Elevations**

**Outline the needs or requirements for future ongoing maintenance, preservation, protection, or cyclical maintenance needs of the historic resource.**

**Bibliography**
**References**
**Appendices** (if needed)

# APPLICATION FOR FEDERAL ASSISTANCE - SHPOs

A. Purpose. This Chapter details the procedures, guidelines, and forms that comprise the standard application for Historic Preservation Fund (HPF) programmatic grants. There are two types of grants associated with HPF funds; the annual grant (from a regular, or special purpose, appropriation) and the Continuation Grant. All grants shall be awarded by NPS for 12-month grant periods unless otherwise specified by NPS in the grant agreement. The two types of grants are described in Chapter 3.

B. Applicability. This Chapter details the requirements and guidelines for an annual grant application under a regular appropriation and for a continuation grant application. NPS will develop procedures for special purpose appropriations within 45 days of enactment of legislation.

The grant application documents described below are to be used when applying for HPF grant funds under either an annual grant or a continuation grant.

C. Annual Grant Application.

1. Completing the Application. The annual grant application consists of the following parts: a) Standard Forms and Certifications; b) Program Overview; c) Attachment A; d) Comments obtained through the applicable E.O. 12372 review process established by each State; and e) Special requirements for current fiscal year appropriated funds. The following must be submitted as part of the application:

   a. Standard Forms and Certifications. A complete set of the Standard Forms and Certifications listed below must be submitted for the annual grant application for current fiscal year funds. If an application was submitted under a Continuing Resolution appropriation, some of the forms and certifications need only be updated.

      1) Federal Assistance Forms (SF 424) for 50/50 and 70/30 grants (as applicable) completed in accordance with Exhibit 7-A. If a Continuing Resolution Grant application has been previously submitted, SF 424 amendments are to be used to obligate additional funds made available through a subsequent year's appropriation. See Chapter 3, Section D.5 regarding 70/30 eligible activities and calculation procedures.

      2) Part III Budget Form. See the forms and Instructions for Completing Part III Budget Forms (Exhibit 7-B). The Part III Budget Form for the annual application should include only current fiscal year HPF grant funds (not funds carried over from prior fiscal years).

      3) Assurances. (See Exhibit 7-C.)

4) DI 1350. Assurance of Compliance, Title VI, Civil Rights Act of 1964. (Exhibit 7-D.)

5) State Staff and Review Board. Grantees must certify in writing that they have both a fully qualified State staff and Review Board. The two certifications may be combined. If the Grantee does not have a qualified staff or review board at the time the application is submitted, it must include a statement that either:

   a) proposes and justifies an alternative staff or review board composition pursuant to 36 CFR 61, and includes a timely schedule for accomplishment of the proposal; or,

   b) states that the requirements will be met within the time period set by 36 CFR 61.

6) Grantees must submit either an Environmental Certification, or an Environmental Assessment with the annual grant application. (See Chapter 11 for details.)

b. Program Overview. The Program Overview is submitted only with the annual grant application.

The program overview is a brief (5 to 8 doublespaced pages) retrospective and prospective statement of the State's preservation program and of the manner in which the State will continue to carry out the program of the National Historic Preservation Act. It should discuss the State's proposed program for the current fiscal year in its entirety, including activities charged to Continuation Grant funds and to new grant obligational authority.

The Overview must include:

1) Major accomplishments in the previous fiscal year that the State wishes to highlight as helpful to other grantees.

2) An assessment of problems and needs for the current fiscal year in areas of SHPO responsibility; needs may include maintaining the current level of effort. The assessment must:

   a) be documented by statistical or other evidence and discussed in relation to broader national and State issues (e.g., Statewide comprehensive planning) that affect preservation; and,

   b) discuss how these needs will be met, citing examples of activities that the State believes are especially important.

c. Attachment A. Attachment A is a cumulative summary of activity that will be performed by a Grantee under all grants awarded during a fiscal year. Ordinarily the Attachment A for the fiscal year is submitted with the Continuation Grant application and is updated for the annual apportionment and any subsequent HPF appropriations.

Use the GUIDELINES FOR COMPLETING ATTACHMENT A and the forms contained in this chapter (Exhibit 7-E). Refer to the Glossary for definitions of terms.

d. E.O. 12372 Review. Attach comments received through the State's E.O. 12372 review process, or include a certification that the application has been transmitted to the E.O. 12372 Single Point of Contact. Include in the certification the date the application was transmitted to the State Single Point of Contact. (See Chapter 4.)

e. Special Requirements for Current Year Appropriated Funds. Supplemental requirements applicable to individual appropriations/apportionments will be supplied by NPS as appropriate.

2. Application Submittal. Applicants must submit two complete application packages to the appropriate NPS Regional Office. One package must include original signatures.

NPS will set the date for submittal of the grant applications depending upon the date of apportionment. The date will normally be 30 working days after the date of the official notification of apportionment (unless the State's E.O. 12372 review process prevents submission of the application within this timeframe; see Chapter 4).

Failure to submit an application in a timely manner may result in the loss of funds.

## D. Continuation Grant Application.

1. Completing the application. The continuation grant application consists of the following parts: a) Standard Forms and certifications; b) Attachment A; and c) Listing of continuing contractual commitments. The following must be submitted as part of the application:

a. Standard Forms and Certifications. A complete set of the Standard Forms and Certifications listed below must be submitted for the Continuation Grant Application.

1) Federal Assistance Forms (SF 424) for 50/50 and 70/30 grants (as applicable) completed in accordance with Exhibit 7-A of this Chapter. Two SF 424s are required for each grant

(50/50) and/or (70/30) for which funds are being carried over into the new fiscal year: one decreasing the expended balance of the prior year's award, and one reassigning the unexpended balance into the Continuation Grant.

2) Part III Budget Form. (Exhibit 7-B.) The budget forms should include only unexpended funds to be carried forward into the new fiscal year. A single Part III Budget Form is to be completed for the Continuation Grant even if both the 70/30 and 50/50 grants are carrying over funds.

3) Assurances. (See Exhibit 7-C.)

4) DI 1350. Assurance of Compliance, Title VI, Civil Rights Act of 1964. (Exhibit 7-D.)

b. Attachment A. Complete using the Guidelines for Completing Attachment A and the forms contained in this Chapter. See Exhibit 7-E. Note: the Attachment A for the Continuation Grant Application need not be submitted until November 1. At such time it will be reviewed for consistency with the rest of the Continuation Grant Application and with the End-of-Year Report for the fiscal year just completed. (See Section E.2.e. below.) Submission of the Attachment A for the Continuation Grant by November 1 will be a Special Condition placed by NPS on any Continuation Grant Agreements approved by NPS prior to November 1.

c. Listing of Continuing Contractual Commitments. Complete according to the instructions in Exhibit 7-F. Listings of commitments must be prepared separately for the 50/50 grant award and for the 70/30 grant award if the grantee has unexpended balances in both grants. The listing summarizes the Project Notifications (Informational SF 424s) forwarded to NPS during the initial fiscal year grant period. Subgrants to Certified Local Governments must appear on the listing of commitments and must be noted separately, by an asterisk (*), so that NPS may determine whether the sum for Certified Local Governments' ongoing subgrant balances, plus the sum of completed CLG subgrants, is clearly equal to at least 10 percent of the prior year's apportionment.

d. The requirements associated with an apportionment do not change in relation to funds carried over into the following fiscal year.

e. Refer to Chapter 3.K for accounting requirements for the annual budget period.

2. Computing the Continuation Grant. The amount that may be carried over as part of the Continuation Grant is determined by subgrants, contracts, and in-house expenses as detailed below:

a. Subgrants and Contracts. Grantees may carry over as part of their Continuation Grant all unexpended balances in eligible subgrants detailed in the grantee's Listing of Continuing Contractual Commitments.

1) Subgrants and contracts with entities outside the administrative direction of the SHPO are considered valid commitments for carryover purposes and must be included in the listing.

2) Subgrants to Certified Local Governments are considered valid commitments for carryover purposes and must be included in the listing.

NOTE: "In-house" contracts or agreements with State Historic Preservation Office staff, or with State governmental units that are part of the same State government budgetary unit as the State Historic Preservation Office are not considered contractual liabilities.

b. In-House Expenses. Up to 25 percent of the total prior year's apportionment may be carried over into the following fiscal year as part of an NPS-approved Continuation Grant for SHPO salaries, equipment, other "in-house" administrative expenses, and "in-house" contracts and agreements. These costs are considered current rather than contractual liabilities. Each fiscal year's salary expenses shall be charged to that fiscal year's grant. After September 30, these types of costs are chargeable only to the next fiscal year's apportionment or to the Continuation Grant.

c. Unexpended HPF grant funds not identified in accordance with these instructions cannot be considered committed.

NPS reserves the right to adjust the grantee's following year's HPF grant award if the grantee has a significant amount of uncommitted carryover funds (in excess of 25 percent of its apportionment), because of the grantee's failure to substantially implement the previous year's approved Grant Agreement expressed in the work program and the End-of-Year Report.

If the grantee knowingly is unable to utilize the full amount of funds apportioned during the year of apportionment and notification to NPS was not made prior to the submission of the Continuation Grant, the fact of uncommitted funds in excess of the 25 percent limitation must be clearly identified separately or as a supplement to the listing of continuing contractual commitments.

Procedures for requesting an exception to the 25 percent carryover limitation are detailed in Chapter 3, Section K.6.e. Also see Exhibit 7-F concerning timely notification to NPS for reallocation purposes.

d. Calculation of Carry-over.

1) Either actual expenditures as of the application date or estimates of accrued expenditures as of the end of the Federal fiscal year may be used to derive the amount of "carry over" as long as:

a) expenses listed will have been incurred by the end of the fiscal year from which funds are being carried over;

b) these expenses are reported to NPS by December 31 (either by filing Federal Cash Transaction Reports or Reimbursement Requests with NPS); and,

c) the listing of continuing contractual commitments accounts for the total Federal share (of the fiscal year being completed) by the original amounts obligated, the amounts expended for work prior to September 30, and the unexpended balances to be carried over for work to be performed in the next fiscal year.

2) The accrued expenses method is recommended by NPS. If the actual expenditures method is used instead, monies to cover costs in the period between the application date and the end of the fiscal year will be carried over into the Continuation Grant. Because the Continuation Grant will have a beginning date of October 1, costs incurred prior to that date will predate and be outside of the Continuation Grant's project period. Accordingly, a request for authorization of preagreement costs will have to be submitted to NPS.

3) Matching Share Carry-Over. Any costs incurred or in-kind matching share contributed in the completed previous fiscal year are normally outside the project period of the Continuation Grant and therefore ineligible. The use of nonfederal matching share contributed during the prior fiscal year to match the Continuation Grant will require a written request (submitted as part of the Continuation Grant Application) to NPS to authorize the nonfederal share as a preagreement cost. Alternatively, a separate request and NPS authorization by an approved grant amendment for preagreement costs can be issued during the new fiscal year if the situation arises after the submittal of the Continuation Grant Application.

Do not include the preagreement costs in the previous year's End-of-Year Report. Preagreement costs that are approved by NPS for inclusion in a Continuation Grant must be reported in the Continuation Grant Attachment A and the End-of-Year Report for that Attachment A. An authorization request must be made for any such preagreement costs.

e. Previous year consistency. The Continuation Grant must be consistent with the expenditures shown in the previous year's End-of-Year Report. The amount carried over in the Continuation Grant may not be larger than the original apportionment minus the amount expended in the first year (as shown in the End-of-Year Report) minus the amount recaptured minus the amount returned for other reasons. This consistency will be checked in the review of the End-of-Year Report. If there are inconsistencies, NPS will make the appropriate adjustment to the Continuation Grant award.

3. Application Submittal. Applicants must submit two complete application packages to the appropriate NPS Regional Office. One package must include original signatures.

Continuation Grant applications must be postmarked not later than September 30 of each year so that authority to incur costs after that date can be officially awarded. Grantees incur costs at their own risk after October 1 until their Continuation Grant request has been approved by NPS. Failure of Grantees to submit acceptable and timely Continuation Grant Applications may result in either or both of the following:

a. Regional Offices may choose to delay the review and approval of the following year's grant allocation; and/or,

b. NPS will adjust unexpended grant funds in accordance with the "use or lose" procedures. (Refer to Chapter 3.)

## E. Amendments and other Programmatic Changes.

1. The grantee shall submit to NPS a written amendment request before making any changes that would substantively alter the program objectives in the approved grant agreement. Requests for changes to approved grants shall be submitted using the same forms as the original application. Only the pages or forms affected by the revisions must be submitted. (Refer to Chapter 15 for NPS amendment procedures.)

2. The grantee may not, without informing the NPS, make changes that would substantively alter project work of subgrants as summarized in the Project Notification (Informational SF 424). Grantees may amend Continuation Grant carryover subgrants (i.e., subgrants crossing over Federal fiscal years) by using a "scope change" amendment to substitute one subgrant for another subgrant, or to alter funding levels among listed subgrants. The Project Notification (Informational SF 424), must be used when amending subgrants or

contracts. (However, if the total Federal share will be decreased in the 50/50 Grant in order to increase the total Federal share of the 70/30 Grant, regular SF 424 amendments must be submitted to alter the obligation for the two grants.)

3. Grantees may increase the "in-house" salaries and expenses portion of the Continuation Grant by cancelling or reducing subgrant amounts carried over into the new fiscal year. An excessive increase in "in-house" expenses and accompanying decrease in subgrant commitments could result in a reduction of obligational authority in the subsequent year if the 25 percent limit is substantially exceeded because of the amendment(s). If the change is submitted prior to the subsequent year's grant award, the amount to be awarded will be reduced; if the award has already been obligated, NPS will have placed a Special Condition on the grant award authorizing an NPS adjustment by Federal deobligation of a portion of the subsequent year's HPF award.

4. During the final weeks of the Continuation Grant fiscal year, the grantee's justification for all amendment requests substantially increasing the Federal share of previously approved projects, or transferring funds among project subgrants, will be carefully reviewed by NPS. Substantial Federal share increases must be justified by an appropriate increase in the project scope or by an adequate written explanation of the reason for the increase.

EXHIBIT 7-A

OMB Approval No. 0348-0006

# FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION *(Mark appropriate box)*
☐ NOTICE OF INTENT (OPTIONAL)
☐ PREAPPLICATION
☐ APPLICATION

2. APPLICANT'S APPLICATION IDENTIFIER
a. NUMBER
b. DATE *Year month day* 19

3. STATE APPLICATION IDENTIFIER
*NOTE:* TO BE ASSIGNED BY STATE
a. NUMBER
b. DATE ASSIGNED *Year month day* 19

*Leave Blank*

SECTION I—APPLICANT/RECIPIENT DATA

4. LEGAL APPLICANT/RECIPIENT
a. Applicant Name
b. Organization Unit
c. Street/P.O. Box
d. City
e. County
f. State
g. ZIP Code.
h. Contact Person *(Name & Telephone No.)*

5. EMPLOYER IDENTIFICATION NUMBER (EIN)

6. PROGRAM *(From CFDA)*
a. NUMBER ☐☐.☐☐☐
MULTIPLE ☐
b. TITLE

7. TITLE OF APPLICANT'S PROJECT (Use section IV of this form to provide a summary description of the project.)

8. TYPE OF APPLICANT/RECIPIENT
A—State
B—Interstate
C—Substate Organization
D—County
E—City
F—School District
G—Special Purpose District
H—Community Action Agency
I—Higher Educational Institution
J—Indian Tribe
K—Other *(Specify):*
*Enter appropriate letter* ☐

9. AREA OF PROJECT IMPACT *(Names of cities, counties, states, etc.)*

10. ESTIMATED NUMBER OF PERSONS BENEFITING

11. TYPE OF ASSISTANCE
A—Basic Grant
B—Supplemental Grant
C—Loan
D—Insurance
E—Other
*Enter appropriate letter(s)* ☐☐

12. PROPOSED FUNDING

| | | |
|---|---|---|
| a. FEDERAL | $ | .00 |
| b. APPLICANT | | .00 |
| c. STATE | | .00 |
| d. LOCAL | | .00 |
| e. OTHER | | .00 |
| f. Total | $ | .00 |

13. CONGRESSIONAL DISTRICTS OF:
a. APPLICANT
b. PROJECT

14. TYPE OF APPLICATION
A—New
B—Renewal
C—Revision
D—Continuation
E—Augmentation
*Enter appropriate letter* ☐

15. PROJECT START DATE *Year month day* 19

16. PROJECT DURATION *Months*

17. TYPE OF CHANGE *(For 14c or 14e)*
A—Increase Dollars
B—Decrease Dollars
C—Increase Duration
D—Decrease Duration
E—Cancellation
F—Other *(Specify):*
*Enter appropriate letter(s)* ☐☐☐

18. DATE DUE TO FEDERAL AGENCY ▶ *Year month day* 19

19. FEDERAL AGENCY TO RECEIVE REQUEST
a. ORGANIZATIONAL UNIT (IF APPROPRIATE)
b. ADMINISTRATIVE CONTACT (IF KNOWN)
c. ADDRESS

20. EXISTING FEDERAL GRANT IDENTIFICATION NUMBER

21. REMARKS ADDED
☐ Yes ☐ No

SECTION II—CERTIFICATION

22. THE APPLICANT CERTIFIES THAT▶ To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved.

a. YES, THIS NOTICE OF INTENT/PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:
DATE ____________________

b. NO, PROGRAM IS NOT COVERED BY E.O. 12372 ☐
OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW ☐

23. CERTIFYING REPRESENTATIVE
a. TYPED NAME AND TITLE
b. SIGNATURE
Date

SECTION III—FEDERAL AGENCY ACTION

24. APPLICATION RECEIVED *Year month day* 19

25. FEDERAL APPLICATION IDENTIFICATION NUMBER

26. FEDERAL GRANT IDENTIFICATION

27. ACTION TAKEN
☐ a. AWARDED
☐ b. REJECTED
☐ c. RETURNED FOR AMENDMENT
☐ d. RETURNED FOR E.O. 12372 SUBMISSION BY APPLICANT TO STATE
☐ e. DEFERRED
☐ f. WITHDRAWN

28. FUNDING

| | | |
|---|---|---|
| a. FEDERAL | $ | .00 |
| b. APPLICANT | | .00 |
| c. STATE | | .00 |
| d. LOCAL | | .00 |
| e. OTHER | | .00 |
| f. TOTAL | $ | .00 |

29. ACTION DATE▶ *Year month day* 19

30. STARTING DATE *Year month date* 19

31. CONTACT FOR ADDITIONAL INFORMATION *(Name and telephone number)*

32. ENDING DATE *Year month date* 19

33. REMARKS ADDED
☐ Yes ☐ No

NSN 7540-01-008-8162
PREVIOUS EDITION IS NOT USABLE

424-103

STANDARD FORM 424 PAGE 1 (Rev. 4-84)
*Prescribed by OMB Circular A-102*

**SECTION IV—REMARKS** *(Please reference the proper item number from Sections I, II or III, if applicable)*

EXHIBIT 7-A

## GENERAL INSTRUCTIONS

This is a multi-purpose standard form. First, it will be used by applicants as a required facesheet for pre-applications and applications submitted in accordance with Federal Management Circular 74–7. Second, it will be used by Federal agencies to report to Clearinghouses on major actions taken on applications reviewed by clearinghouses in accordance with OMB Circular A–95. Third, it will be used by Federal agencies to notify States of grants-in-aid awarded in accordance with Treasury Circular 1082. Fourth, it may be used, on an optional basis, as a notification of intent from applicants to clearinghouses, as an early initial notice that Federal assistance is to be applied for (clearinghouse procedures will govern).

## APPLICANT PROCEDURES FOR SECTION I

Applicant will complete all items in Section I. If an item is not applicable, write "NA". If additional space is needed, insert an asterisk "*", and use the remarks section on the back of the form. An explanation follows for each item:

*Item*

**1.** Mark appropriate box. Pre-application and application guidance is in FMC 74–7 and Federal agency program instructions. Notification of intent guidance is in Circular A–95 and procedures from clearinghouse. Applicant will not use "Report of Federal Action" box.

**2a.** Applicant's own control number, if desired.

**2b.** Date Section I is prepared.

**3a.** Number assigned by State clearinghouse, or if delegated by State, by areawide clearinghouse. All requests to Federal agencies *must* contain this identifier if the program is covered by Circular A–95 and required by applicable State/areawide clearinghouse procedures. If in doubt, consult your clearinghouse.

**3b** Date applicant notified of clearinghouse identifier.

**4a–4h.** Legal name of applicant/recipient, name of primary organizational unit which will undertake the assistance activity, complete address of applicant, and name and telephone number of person who can provide further information about this request.

**5.** Employer identification number of applicant as assigned by Internal Revenue Service.

**6a.** Use Catalog of Federal Domestic Assistance number assigned to program under which assistance is requested. If more than one program (e.g., joint-funding) write "multiple" and explain in remarks. If unknown, cite Public Law or U.S. Code.

**6b.** Program title from Federal Catalog. Abbreviate if necessary.

**7.** Brief title and appropriate description of project. For notification of intent, continue in remarks section if necessary to convey proper description.

**8.** Mostly self-explanatory. "City" includes town, township or other municipality.

**9.** Check the type(s) of assistance requested. The definitions of the terms are:

- A. Basic Grant. An original request for Federal funds. This would not include any contribution provided under a supplemental grant.
- B. Supplemental Grant. A request to increase a basic grant in certain cases where the eligible applicant cannot supply the required matching share of the basic Federal program (e.g., grants awarded by the Appalachian Regional Commission to provide the applicant a matching share).
- C. Loan. Self explanatory.
- D. Insurance. Self explanatory.
- E. Other. Explain on remarks page.

**10.** Governmental unit where significant and meaningful impact could be observed. List only largest unit or units affected, such as State, county, or city. If entire unit affected, list it rather than subunits.

**11.** Estimated number of persons directly benefiting from project.

**12.** Use appropriate code letter. Definitions are:

- A. New. A submittal for the first time for a new project.
- B. Renewal. An extension for an additional funding/budget period for a project having no projected completion date, but for which Federal support must be renewed each year.
- C. Revision. A modification to project nature or scope which may result in funding change (increase or decrease).
- D. Continuation. An extension for an additional funding/budget period for a project the agency initially agreed to fund for a definite number of years.
- E. Augmentation. A requirement for additional funds for a project previously awarded funds in the same funding/budget period. Project nature and scope unchanged.

**13.** Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of the change. For decreases enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 13a, amount requested from Federal Government; 13b, amount applicant will contribute; 13c, amount from State, if applicant is not a State; 13d, amount from local government, if applicant is not a local government; 13e, amount from any other sources, explain in remarks.

**14a.** Self explanatory.

**14b.** The district(s) where most of actual work will be accomplished. If city-wide or State-wide, covering several districts, write "city-wide" or "State-wide."

**15.** Complete only for revisions (item 12c), or augmentations (item 12e).

EXHIBIT 7-A

*Item*

16. Approximate date project expected to begin (usually associated with estimated date of availability of funding).

17. Estimated number of months to complete project after Federal funds are available.

18. Estimated date preapplication/application will be submitted to Federal agency if this project requires clearinghouse review. If review not required, this date would usually be same as date in item 2b.

*Item*

19. Existing Federal identification number if this is not a new request and directly relates to a previous Federal action. Otherwise write "NA".

20. Indicate Federal agency to which this request is addressed. Street address not required, but do use ZIP.

21. Check appropriate box as to whether Section IV of form contains remarks and/or additional remarks are attached.

## APPLICANT PROCEDURES FOR SECTION II

Applicants will always complete items 23a, 23b, and 23c. If clearinghouse review is required, item 22b must be fully completed. An explanation follows for each item:

*Item*

22b. List clearinghouses to which submitted and show in appropriate blocks the status of their responses. For more than three clearinghouses, continue in remarks section. All written comments submitted by or through clearinghouses must be attached.

23a. Name and title of authorized representative of legal applicant.

*Item*

23b. Self explanatory.

23c. Self explanatory.

*Note:* Applicant completes only Sections I and II. Section III is completed by Federal agencies.

## FEDERAL AGENCY PROCEDURES FOR SECTION III

If applicant-supplied information in Sections I and II needs no updating or adjustment to fit the final Federal action, the Federal agency will complete Section III only. An explanation for each item follows:

*Item*

24. Executive department or independent agency having program administration responsibility.

25. Self explanatory.

26. Primary organizational unit below department level having direct program management responsibility.

27. Office directly monitoring the program.

28. Use to identify non-award actions where Federal grant identifier in item 30 is not applicable or will not suffice.

29. Complete address of administering office shown in item 26.

30. Use to identify award actions where different from Federal application identifier in item 28.

31. Self explanatory. Use remarks section to amplify where appropriate.

32. Amount to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of change. For decreases, enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 32a, amount awarded by Federal Government; 32b, amount applicant will contribute; 32c, amount from State, if applicant is not a State; 32d, amount from local government if applicant is not a local government; 32e, amount from any other sources, explain in remarks.

33. Date action was taken on this request.

34. Date funds will become available.

*Item*

35. Name and telephone no. of agency person who can provide more information regarding this assistance.

36. Date after which funds will no longer be available.

37. Check appropriate box as to whether Section IV of form contains Federal remarks and/or attachment of additional remarks.

38. For use with A–95 action notices only. Name and telephone of person who can assure that appropriate A–95 action has been taken—if same as person shown in item 35, write "same". If not applicable, write "NA".

### *Federal Agency Procedures—special considerations*

A. *Treasury Circular 1082 compliance.* Federal agency will assure proper completion of Sections I and III. If Section I is being completed by Federal agency, all applicable items must be filled in. Addresses of State Information Reception Agencies (SCIRA's) are provided by Treasury Department to each agency. This form replaces SF 240, which will no longer be used.

B. *OMB Circular A–95 compliance.* Federal agency will assure proper completion of Sections I, II, and III. This form is required for notifying all reviewing clearinghouses of major actions on all programs reviewed under A–95. Addresses of State and areawide clearinghouses are provided by OMB to each agency. Substantive differences between applicant's request and/or clearinghouse recommendations, and the project as finally awarded will be explained in A–95 notifications to clearinghouses.

C. *Special note.* In most, but not all States, the A–95 State clearinghouse and the (TC 1082) SCIRA are the same office. In such cases, the A–95 *award* notice to the State clearinghouse will fulfill the TC 1082 award notice requirement to the State SCIRA. Duplicate notification should be avoided.

☆U.S. Government Printing Office: 1977—241-530/8231

EXHIBIT 7-A

## Multiple-purpose SF 424

The Standard Form (SF) 424 is the required facesheet for applications, amendments, or budget revisions submitted in accordance with OMB Circulars A-102 and A-110. The following instructions, to be used in conjunction with the instructions reproduced on the back of the printed SF 424, are applicable when applying for HPF grant assistance through either an Annual Appropriation, a Continuing Resolution appropriation, a special purpose appropriation or through a Continuation Grant. In addition, these instructions apply when requesting approval for any amendments or budget revisions to approved HPF grant awards.

In addition to the special information required when applying for HPF assistance, instructions are also provided for completing the SF 424 for compliance with the Federal Assistance Award Data System (FAADS).

The SF 424 will be used by NPS to notify Congress and the FAADS of the award of HPF grant assistance.

The SF 424, with certain items blocked out, will also be used for the Project Notification (Informational SF 424) process. Forms and instructions are provided in Chapter 6.

## PROCEDURES.

Grantees are responsible for completing Sections I and II. If an item is not applicable write "NA". If additional space is needed, insert an asterisk "*", and use Section IV, "Remarks" or a separate sheet and attach.

**ITEM NUMBERS ARE KEYED TO THE STANDARD FORM 424**

| | REQUIREMENTS FOR HPF ASSISTANCE | REQUIREMENTS FOR FAADS |
|---|---|---|
| ITEM 1. | For all applications mark "APPLICATION"<br>For amendments - leave blank. | Not applicable. |
| ITEM 2a | Applicant's own control number, (optional). | Not applicable. |
| ITEM 2b. | Date applicant prepared Section I. | Not applicable. |
| ITEM 3a. | Enter number assigned by Single Point of Contact in accordance with E.O.12372. | Enter the assigned number or if no number is reported by actions covered by E.O. 12372, enter "SAI not available" or, if the action being reported is not covered by E.O. 12372 and there is no number reported, enter "SAI EXEMPT". |
| ITEM 3b. | Date State is notified of E.O. 12372 identifier. | Not applicable. |
| ITEM 4a. | Enter: STATE of _________________<br>Enter the name of the organization receiving the award of financial assistance. Do not abbreviate first word of a recipient name. | Same as HPF requirements. |
| ITEM 4b. | Enter the name of the organizational unit receiving the award if different from item 4a. | Not applicable. |
| ITEM 4c. | Enter the street/P.O. Box mailing address of the organizational unit identified in 4.b. above. | Not applicable. |
| ITEM 4d. | Enter the name of the city in which the organizational unit is located. | Enter specific name and the appropriate code for city/town where the recipient is located. Use 4-character numeric GSA code. |

| | **REQUIREMENTS FOR HPF ASSISTANCE** | **REQUIREMENTS FOR FAADS** |
|---|---|---|
| ITEM 4e. | Enter the name of the county in which organizational unit is located. | Enter the specific name and appropriate code for the county where the recipient is located. Use 3-character numeric FIPS code. |
| ITEM 4f. | Enter the name of the State. | Enter the appropriate 2-character numeric FIPS code for the State (this includes the District of Columbia, a U.S. possession or Territory) where the recipient is located. |
| ITEM 4g. | Enter the zip code. | Enter the 5-character numeric code from the U.S. Postal Service manual. |
| ITEM 4h. | Enter the name and telephone number of the person in the organizational unit who can provide additional information about the application. | Not applicable. |
| ITEM 5. | Enter number assigned by the Internal Revenue Service. | Not applicable. |
| ITEM 6a. | Enter 15.904. Check multiple as appropriate. | Same as HPF requirements. |
| ITEM 6b. | Enter Historic Preservation on all applications and amendments. | Not applicable. |
| ITEM 7. | Identify type of Grant.<br>a. annual<br>b. continuation<br>c. special<br>Identify the fiscal year for which these funds will be applied to Program objectives and for which NPS approval of obligational authority is requested.<br>Identify funding Ratio.<br>a) 50/50 b) 70/30<br>(Insular areas are not required to provide matching share.) | Enter the description of the project or purpose for which funds are being obligated. *Correction or late indicator: enter the appropriate code at the lower left hand side indicating the award is being reported either as a correction, a late record which was omitted from a previous quarter's submission, or a current financial award. *Fiscal year and quarter of corrected or late record: enter at the lower right hand side the appropriate numeric disignation of the fiscal year and quarter to which the correction applies, or in which the record should have been submitted. (*THIS INFORMATION FOR WASO USE ONLY. SEE ATTACHMENT 2). |

| | **REQUIREMENTS FOR HPF ASSISTANCE** | **REQUIREMENTS FOR FAADS** |
|---|---|---|
| ITEM 8. | Enter "A" for all applications/amendments. | Enter the 2-character numeric code which represents the recipient or borrower in the state to the life of "Enter appropriate letter." In this case the specific numeric code is 00. |
| ITEM 9 | Enter: Statewide. | Enter the location of the project being funded beneath the name; provide a 7-character code as follows:<br>a. The State, District of Columbia, or Territory should be entered in the first 2 positions. The 2-character numeric FIPS code should be used. For multi-State projects, "00" should be entered, in which case the remaining positions should contain asterisks (*).<br>b. If the grant work will be performed in a particular city, township, or place, the 5-character numeric FIPS code should be entered in positions three through seven. (The GSA place code should not be used here).<br>c. If the principal place of performance is a particular county (or in more than one county), enter the 3-character numeric FIPS code for the county (or county of principal performance) in positions five, six, and seven preceded by 2 asterisks (*) in positions three and four.<br>d. For pass-through grants or other statewide projects, the State should be designated in the first two positions, with the remainder of the field containing asterisks (*). |
| ITEM 10 | Self-explanatory. | Not applicable. |

| | REQUIREMENTS FOR HPF ASSISTANCE | REQUIREMENTS FOR FAADS |
|---|---|---|
| ITEM 11. | Enter only "A/B" as appropriate (see glossary for definitions.) Leave C, D, and E blank. | Enter the 2-digit code representing the type of grant or financial assistance in the space to the left of "Enter appropriate letter." In this case the specific numeric code is 04. |
| ITEM 12a. | Enter on all applications the total Federal funds being requested from NPS for 50/50 and 70/30 funding ratios for the duration of the project as indicated in items 16 and 17. For amendments, enter only the amount of the increase of decrease. | Not applicable. |
| ITEM 12b. | Enter for all applications the total nonfederal share for 50/50 and 70/30 funding ratios. For amendments enter only the amount of the increase or decrease. (Insular areas are not required to provide matching share.) | Not applicable. |
| ITEM 12c. | Leave Blank. | Not applicable. |
| ITEM 12d. | Leave Blank. | Not applicable. |
| ITEM 12e. | Leave Blank. | Not applicable |
| ITEM 12f. | Enter the sum of 13a and 13b. | Not applicable. |
| ITEM 13a. | See FAADS' requirements.<br>- - | Enter the 2-position numeric code for the congressional district of the recipient. For a congressional district at large, enter "00." For jurisdictions with a non-voting delegate, enter "98." for jurisdictions with no representative, enter "99." If a look-up table is being used to generate the congressional districts, and more than one district falls within the boundaries of the city, a code "90" should be used. |
| ITEM 13b. | Leave Blank. | Not applicable. |

| | **REQUIREMENTS FOR HPF ASSISTANCE** | **REQUIREMENTS FOR FAADS** |
|---|---|---|
| ITEM 14. | Check as appropriate. enter "A" for Annual Grants or Special Grants; enter "B" for Continuation Grants.<br>Enter "C" for all amendments requiring a change in the approved scope of work or budget. | Enter the appropriate character describing the award transaction. See glossary for definitions. |
| ITEM 15. | Enter for all applications; the earliest date preagreement costs have been incurred. | Not applicable. |
| ITEM 16. | Enter 12 months, or not to exceed 9-30-____. | Not applicable. |
| ITEM 17. | Use for amendments only. Enter "F" for scope changes. Do not complete items 12a. and 12b. for duration and "other" changes. | Not applicable. |
| ITEM 18. | Self-explanatory. | Not applicable. |
| ITEM 19. | Enter appropriate NPS office address. | Enter the 4-character FIPS code for bureau or office. The specific FIPS Code to use is National Park Service--1443. |
| ITEM 20. | For annual grants--leave blank. For continuation grants--enter the number assigned to the prior year's annual grant plus the Suffix "B". | Not applicable. |
| ITEM 21. | Self-explanatory. | Not applicable. |
| ITEM 22. | Self-explanatory. | Not applicable. |
| ITEM 23. | Signature of SHPO or designated official. (Note: date of signature is placed here). | Not applicable. |
| SECTION III (reserved for NPS use.) | | Not applicable. |
| ITEM 24. | Self-explanatory. | To be completed by NPS. |
| ITEM 25. | Self-explanatory. | To be completed by NPS. |
| ITEM 26. | To be completed by NPS. | Not applicable. |

| **REQUIREMENTS FOR HPF ASSISTANCE** | **REQUIREMENTS FOR FAADS** |
|---|---|
| Item 27. To be completed by NPS. | Not applicable. |
| ITEM 28. To be completed by NPS. | Enter negative sign if funding amount is a decrease, in the space after Federal and State enter the dollar amount of the Federal Government's or State's total obligation or liability for each assistance award in whole dollars. |
| ITEM 29. To be completed by NPS. | Enter the year, month, and day funds were obligated or committed for this action. The numeric entry should be in the form of year, month, and day. |
| ITEM 30. To be completed by NPS. | Enter the year, month and day that funds become or became available for actual beginning of the project. The numeric entry should be in the form of year, month, and day. |
| ITEM 31. To be completed by NPS. | Not applicable. |
| ITEM 32. To be completed by NPS. | Enter the year, month, and day of scheduled completion date of the project or activity related to the action. The numeric entry should be in the form of year, month, and day. If occasions arise where after the ending date an audit is conducted and a change in the dollar amount results, the ending and action date should both be changed to reflect the day the change was made. In addition, item 7, Title and Description of Applicant's Project should indicate that the dollar change is the result of the findings of the program audit. |
| ITEM 33. To be completed by NPS. | Not applicable. |

EXHIBIT 7-B

## PART III - BUDGET INFORMATION

### SECTION A - BUDGET SUMMARY

| Grant Program, Function or Activity (a) | Federal Catalog No. (b) | [illegible] | | New or Revised Budget | | |
|---|---|---|---|---|---|---|
| | | [illegible] (c) | [illegible] (d) | Federal (e) | Non-Federal (f) | Total (g) |
| 1. Historic Preservation | 15.904 | $ | $ | $ | $ | $ |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 5. TOTALS | | $ | $ | $ | $ | $ |

### SECTION B - BUDGET CATEGORIES

| 6. Object Class Categories | Column 1 Administration (SHPO Costs) | Column 2 50/50 SHPO INTERNAL OPER | Column 3 70/30 SHPO INTERNAL OPER | Column 4 50/50 SUBGRANTS | Column 5 70/30 SUBGRANTS | Column 6 TOTAL |
|---|---|---|---|---|---|---|
| a. Personnel | $ | $ | $ | $ | $ | $ |
| b. Fringe Benefits | | | | | | |
| c. Travel | | | | | | |
| d. Equipment | | | | | | |
| e. Supplies | | | | | | |
| f. Contractual (Grantee) | | | | | | |
| g. Construction | | | | | | |
| h. Other (PASS-THROUGH) | | | | | | |
| i. Total Direct Charges | | | | | | |
| j. Indirect Charges | | | | | | |
| k. TOTALS | $ | $ | $ | $ | $ | |
| 7. Program Income | $ | $ | $ | $ | $ | $ |

## SECTION C - NON-FEDERAL RESOURCES

| (a) Grant Program | (b) APPLICANT | (c) STATE | (d) OTHER SOURCES | (e) TOTALS |
|---|---|---|---|---|
| 8. Nonfederal share 70/30 | $ | ▨ | $ | $ |
| 9. Nonfederal share 50/50 | | ▨ | | |
| 10. PASS-THROUGH (70/30) | | | | |
| 11. PASS-THROUGH (50/50) | | | | |
| 12. TOTALS | $ | | $ | $ |

## SECTION D - FORECASTED CASH NEEDS

| | Total for 1st Year | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|---|---|---|---|---|---|
| 13. Federal | $ | $ | $ | $ | $ |
| 14. Non-Federal | | | | | |
| 15. TOTAL | $ | $ | $ | $ | $ |

## SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

| (a) Grant Program | FUTURE FUNDING PERIODS (YEARS) | | | |
|---|---|---|---|---|
| | (b) FIRST | (c) SECOND | (d) THIRD | (e) FOURTH |
| 16. | $ | $ | $ | $ |
| 17. | | | | |
| 18. | | | | |
| 19. | | | | |
| 20. TOTALS | $ | $ | $ | $ |

## SECTION F - OTHER BUDGET INFORMATION

(Attach additional Sheets If Necessary)

21. Direct Charges:

22. Indirect Charges:

23. Remarks:

EXHIBIT 7-B

## BUDGET, PART III

## GENERAL INSTRUCTIONS

In preparing the budget, adhere to any existing or newly instituted NPS guidelines which describe how and whether budgeted amounts should be separately shown for different functions or activities within the overall program. Sections A, B, and C should provide budget estimates for the entire HPF grant (Federal and nonfederal shares). All applications must contain a breakdown by the object class categories shown in lines a-k of Section B. Unless supplemental instructions from NPS state otherwise, these budget forms are to be used when applying for all HPF grant funds (nonconstruction, development, or acquisition). The amounts appearing on the Budget Forms should agree with the amounts appearing on the SF 424(s), but will not agree with the cumulative amounts entered on the Attachment A.

### SECTION A - Budget Summary **DO NOT USE SHADED AREAS**

1.e. Enter the total current year Federal share request to be approved as the Grant Award. The amount entered in 1.e. will equal the sum of Item 12a on the SF 424s for the 50/50 and the 70/30 Work Program Components. (Some Grantees may only have funds in one component.)

1.f. Enter the total current year nonfederal share request to be approved as the Grant Award. The amount entered in 1.f. will equal the sum of Item 12b on the SF 424s for the 50/50 and the 70/30 Work Program Components. (Some Grantees may only have funds in one component; Insular areas are not required to provide matching share.)

### SECTION B - Budget Categories **DO NOT USE SHADED AREAS**

Columns 1, 2, and 4:

For each column, total the amounts entered on lines 6.a. through 6.j. and enter the total on line 6.k.

The total of Column 1 (Administrative), Column 2 (50/50 Internal Operating/Staff), and Column 4 (50/50 External Subgrants) will equal the amount shown in Item 12f of the SF 424 for the 50/50 Work Program Component. (Note: Individual subgrants may not include the full nonfederal share provided that the cumulative grant totals the required minimum nonfederal share. See Chapter 14, Section D.6.)

Columns 3 and 5:

For each column, total the amounts entered on lines 6.a. through 6.j. and enter the total on line 6.k.

The total of Column 3 (70/30 Internal Operating/Staff), and Column 5 (70/30 External Subgrants) will equal the amount shown in Item 12F of the SF 424 for the 70/30 Work Program Component. (Note: Individual subgrants may not include the full nonfederal share provided that the cumulative grant totals the required minimum nonfederal share. See Chapter 14, Section D.6.)

Total Columns 1 through 5 across and enter the figures in Column 6.

The total entered in Column 6, line k. will represent estimated total program costs for the FY Grant Award request (Federal share plus nonfederal share). The figure in Column 6, line k. will equal the sum of the amounts entered in Item 12f of the SF 424's for both the 50/50 and the 70/30 Work Program Components. In addition, the figure in 6.k. will equal the amount entered in Section A, 1.g.

SECTION C - Nonfederal Resources **DO NOT USE SHADED AREAS**

8.b. Enter the nonfederal share supplied by the grantee for the 70/30 program component.

8.d. Enter the nonfederal share supplied by other sources (including other State agencies) for the 70/30 program component.

8.e. Enter the total nonfederal share (8.b. plus 8.d.) for the 70/30 program component (excluding pass-through funds for CLG's).

9.b. Enter the nonfederal share supplied by the grantee for the 50/50 program component.

9.d. Enter the nonfederal share supplied by other sources (including other State agencies) for the 50/50 program component.

9.e. Enter the total nonfederal share (9.b. plus 9.d.) for the 50/50 program component (excluding pass-through funds for CLG's).

10.b,c,d Enter the nonfederal share for the 70/30 pass-through funds to certified local governments.

10.e. Enter the total nonfederal share for the 70/30 pass-through funds.

Note: The amount in 8.e plus the amount in 10.e. will equal the amount in Item 12b of the SF 424 for the 70/30 program component.

11.b,c,d Enter the nonfederal share for the 50/50 pass-through funds to certified local governments.

11.e. Enter the total nonfederal share for the 50/50 pass-through funds.

Note: The amount in 9.e. plus the amount in 11.e. will equal the amount in Item 12b of the SF 424 for the 50/50 program component.

12. Enter the total for (b), (c), (d) and (e). The amount in 12.e. will equal the sum of Item 12b on the SF 424s for both the 70/30 and the 50/50 program components. In addition, the amount in 12.e. will equal the amount entered in Section A,1.f.

Note: Should a State choose to "overmatch" program costs, the amounts must be included in Sections A, B and C. Nonfederal share above the percentage required by law (overmatch) is subject to audit and adequate documentation must be maintained on file for audit purposes.

SECTION F - Other Budget Information

21. **Direct Charges:** Attach, if applicable, a list of proposed equipment to be purchased and the cost of each item. Equipment exceeding a cost of $300 per item must be listed. Equipment costing more than $300, not listed as part of the grant application, will require written NPS approval prior to purchase.

22. **Indirect Charges:** Provide the date of approval for the most recent federally approved Indirect Cost Rate. Attach a copy of the document.

23. **Administrative Costs:** Provide the percent of Administrative Costs. If Administrative Costs (Section B, Column 1.k.) exceed 15 percent of total program costs (Section B, Column 6.k.), attach a written explanation. Administrative Costs are defined within this Chapter.

NOTES:

1. Only one Part III, Budget Information Form need be submitted. Do not prepare a separate Part III for both the 50/50 and the 70/30 components. Budget information for all components must be combined on one Budget Form.

2. A Standard Form 424 must be prepared for each component, provided funds are requested for each.

3. Costs requiring prior NPS approval (see Chapter 13, Section C) should be listed in an attachment to Section F of the Part III Budget Form. If such costs are not so listed, written NPS prior approval must be sought by the grantee through submission of a subsequent letter or amendment request.

## ADMINISTRATIVE and OPERATING COST INSTRUCTIONS
## BUDGET, PART III, SECTION B,

In order to establish and extract the amount of administrative costs applied in support of operational HPF activities, administrative costs will be listed separately in Part III, Section B, column (1) of the Application for Federal Assistance. Part III, Section B, column (2) will list operational costs for activities matched at 50 percent nonfederal share, and Section B, column (3) will list operational costs for activities matched at 30 percent nonfederal share.

### A. Definitions.

1. Administrative costs. Costs incurred when accomplishing activity directly pertinent to budget formulation and execution, personnel management, finance, property management, equal opportunity and other "overhead" functions not directly attributable to specific program areas. Refer to Chapter 6.E.1. for additional activities which support all program areas and should be charged to this program area.

2. Operating costs. The costs applied to specific Program Area activities described in Chapter 6.E. and identified in the Attachment A. Operating programs and projects are those that directly contribute to the accomplishment of the SHPO responsibilities. The following are examples of operating costs:

    a. Personnel and nonpersonnel costs allocable to specific program areas.

    b. Payment to any trainees (such as work-study participants) including salaries, wages, and employer's share of fringe benefits.

    c. Administration or management directly linked to program areas; these costs are included under the appropriate program area.

    d. Allowable costs associated with grant awards for the preparation of plans and specifications and all other allowable pre-development costs listed in Section B(g), when the terms of the apportionment and NPS instructions authorize the use of HPF grant funds for these purposes.

### B. Procedures.

1. Identify the expenses for the 12-month period for the general executive offices and other overhead expenses of a general character. Refer to the Administration Program Area, Chapter 6.E.1 for examples of these costs.

Administrative costs chargeable to all budget categories must be included: personnel, fringe benefits, travel, equipment, supplies, contractual, construction, and others. (Refer to Part III, Budget Information instructions.)

2. Where personnel, such as the State Historic Preservation Officer and the fiscal officer, accomplish both administrative work and operational work, the approximate percentage of time spent on administration should be estimated and translated into projected costs.

3. Where a provisional indirect cost rate has been approved, show the amount of indirect cost to be applied, in line 6j of Part III, Section B. For item F.22, note the date of Federal approval and attach a copy of the signed indirect cost agreement.

EXHIBIT 7-C

## PART V - ASSURANCES

The STATE OF , (insert SHPO office), through the signature of the State Historic Preservation Officer in Item 23 on the Standard Form 424, assures and certifies that it will comply with the regulations, policies, guidelines and requirements including Office of Management and Budget Circulars A-21, A-87, A-102, A-110, and A-122, and Executive Order 12372, as they relate to the application, acceptance and use of Federal funds for this federally assisted grant. Also, the STATE OF , (insert SHPO office) gives assurances and certifies with respect to the grant that:

1. It possesses legal authority to apply for the grant (and, as applicable, to finance and construct the proposed facilities); that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

2. It will establish safeguards to prohibit employees from using their positions for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

3. It will comply with the requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced as a result of Federal or federally assisted programs.

4. It will comply with all requirements imposed by the Federal grantor agency concerning special requirements of law, program requirements and other administrative requirements approved in accordance with Office of Management and Budget Circular A-102.

5. It will comply with the provisions of the Hatch Act which limit the political activity of employees.

6. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act, as they apply to hospital and eductional institution employees of State and local governments.

7. It will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the grant or project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be utilized in the project is under consideration for listing by EPA.

8. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1976. Section 102(a) requires, on and after March 2, 1975, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

9. It will assist the Federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 USC 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1974 (16 USC 469a-1 et seq.) by (a) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the activity, or notifying the Federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by the Federal grantor agency to avoid or mitigate adverse effects upon such properties.

10. It will comply with the provisions of: Executive Order 11296, relating to evaluation of flood hazards, and Executive Order 11288, relating to the prevention, control, and abatement of water pollution.

11. It will have sufficient funds available to meet the nonfederal share of the cost for construction projects. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purposes constructed.

12. It will obtain approval by the appropriate Federal agency of the final working drawings and specifications before the project is advertised or placed on the market for bidding; that it will construct the project, or cause it to be constructed, to final completion in accordance with the application and approved plans and specifications; that it will submit to the appropriate Federal agency for prior approval changes that alter the costs of the project, use of space, or functional layout; that it will not enter into a construction contract(s) for the project or undertake other activities until the conditions of the construction grant program(s) have been met.

13. It will provide and maintain competent and adequate architectural engineering supervision and inspection at the construction site to insure that the completed work conforms with the approved plans and specifications; that it will furnish progress reports and such other information as the Federal grantor agency may require.

14. It will operate and maintain the facility in accordance with the minimum standards as may be required or prescribed by the applicable Federal, State, or local agencies for the maintenance and operation of such facilities.

15. It will give the grantor agency and the Comptroller General through any authorized representative access to, and the right to examine, all records, books, papers, or documents related to the grant.

16. It will comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d) prohibiting employment discrimination where (1) the primary purpose of a grant is to provide employment or (2) discriminatory employment practices will result in unequal treatment of persons who are or should be benefiting from the grant-supported activity.

17. It will require the facility to be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A117.1-1961, as modified (41 CFR 101.17.703). The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor.

18. It will cause work on the project to be commenced within a reasonable time after receipt of notification from the approving Federal agency that funds have been approved and that the project will be prosecuted to completion with reasonable diligence.

19. It will not dispose of or encumber its title or other interests in the site and facilities during the period of Federal interest or while the Government holds bonds, whichever is longer.

20. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take any measures necessary to effectuate this agreement. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant, this assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

____________________________ _______________
(Signature of SHPO) (Date)

EXHIBIT 7-D

DI Form 1350
(March 1966)

Illustration No. 1

U.S. DEPARTMENT OF THE INTERIOR

## ASSURANCE OF COMPLIANCE

(TITLE VI, CIVIL RIGHTS ACT OF 1964)

____________________ (hereinafter called "Applicant-Recipient")
(Name of Applicant-Recipient)

HEREBY AGREES THAT IT will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Department of the Interior Regulation (43 CFR 17) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant-Recipient receives financial assistance from ____________________ and
Bureau or Office
Hereby Gives Assurance That It will immediately take any measures to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant-Recipient by ____________________. This assurance obligates the
Bureau or Office

Applicant-Recipient, or in the case of any transfer of such property, any transferee for the period during which the real property or structure is used for a purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance obligates the Applicant-Recipient for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Applicant-Recipient for the period during which the Federal financial assistance is extended to it by ____________________.
Bureau or Office

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts or other Federal financial assistance extended after the date hereof to the Applicant-Recipient by the bureau or office, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Applicant-Recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall reserve the right to seek judicial enforcement of this assurance. This assurance is binding on the Applicant-Recipient, its successors, transferees, and assignees, and the person or persons whose signature appear below are authorized to sign this assurance on behalf of the Applicant-Recipient.

____________________
DATED

____________________
APPLICANT-RECIPIENT

By ____________________
(President, Chairman of Board or Comparable authorized Official

____________________
APPLICANT-RECIPIENT'S MAILING ADDRESS

EXHIBIT 7-D

DI Form 1350
(March 1964)

Illustration No. 1

### U.S. DEPARTMENT OF THE INTERIOR
## ASSURANCE OF COMPLIANCE
### (TITLE VI, CIVIL RIGHTS ACT OF 1964)

______________________________ (hereinafter called "Applicant-Recipient")
(Name of Applicant-Recipient)

**HEREBY AGREES THAT IT** will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Department of the Interior Regulation (43 CFR 17) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant-Recipient receives financial assistance from ______________________________ and
Bureau or Office

Hereby Gives Assurance That It will immediately take any measures to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant-Recipient by ______________________________. This assurance obligates the
Bureau or Office

Applicant-Recipient, or in the case of any transfer of such property, any transferee for the period during which the real property or structure is used for a purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance obligates the Applicant-Recipient for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Applicant-Recipient for the period during which the Federal financial assistance is extended to it by ______________________________.
Bureau or Office

**THIS ASSURANCE** is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts or other Federal financial assistance extended after the date hereof to the Applicant-Recipient by the bureau or office, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Applicant-Recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall reserve the right to seek judicial enforcement of this assurance. This assurance is binding on the Applicant-Recipient, its successors, transferees, and assignees, and the person or persons whose signature appear below are authorized to sign this assurance on behalf of the Applicant-Recipient.

______________________________
DATED

______________________________
APPLICANT-RECIPIENT

By ______________________________
(President, Chairman of Board or Comparable authorized Official

______________________________
APPLICANT-RECIPIENT'S MAILING ADDRESS

EXHIBIT 7-E

## Guidelines For Completing Attachment A.

The following guidelines are to be used in completing Attachment A. Except where specifically stated, the guidelines apply to all grant awards.

Attachment A is a cumulative summary of activity that will be performed by a Grantee under all grants awarded during a fiscal year.

### A. General Guidelines

1. Only submit forms for the program areas affected by each application or amendment. In subsequent applications or amendments, Grantees must submit updated cumulative forms and submit first-time forms for program areas not funded by prior applications and amendments. For example, if with Continuation Grant funding a Grantee surveys 140 sq. miles for archeological resources and then with a Continuing Resolution grant intends to survey an additional 50 sq. miles, it must submit a survey program form with updated information (i.e., 190 sq. miles). If a State funded no survey with the Continuation Grant and thus did not submit a form for the Survey program area, and subsequently plans to fund survey with a Continuing Resolution Grant, it must then submit a form.

2. Updated cumulative Summary of Outlay and Effort sheets must accompany each submittal.

3. Fill in all blanks (including State name and date) for every program area submitted. "Cumulative Projection" blanks should be filled out for the awards, and the "Actual" blanks for the End-of-Year Report. (See Chapter 25.)

4. Grantees should make sound "Cumulative Projection" estimates and ensure that Attachment A remains internally consistent; i.e., all award money and all SHPO staff time is accounted for in Attachment A.

5. If Grantee program records are not organized like Attachment A, estimates should be made based on the percentage of total time and money likely to be spent in program areas. Because distribution of time records are required for fiscal audit purposes, it is recommended that Grantees use time sheets and data logs to track the Grantee program throughout the year.

6. In the End-of-Year Report, Grantees must show activity in each program area unless exempted by law (e.g., where preservation tax incentives do not apply) or in writing by the National Park Service. This will be checked in the review of the End-of-Year Reports. This does not apply to the Other Activities program area as Grantees are not required to show any activity in that area, unless appropriate.

7. If a Grantee plans to administer an entire program area for the entire year using Continuation Grant funds and has completed its Continuation Grant Attachment A accordingly, it need not submit another form for that program area until the End-of-Year Report. For example, if a Grantee plans to pay for all Review and Compliance activities with Continuation Grant funds, it need not amend the Review and Compliance form when the annual grant application is submitted.

8. Normally, if an updated form shows an increase in Outlay, it must also show an increase in the Products section. Grantees should be able to explain instances for which this is not true.

9. Do not include the number of telephone calls received. (See Glossary for NPS definition of technical assistance.)

10. Attachment A should only address activities to be funded or administered with new grant authority (including Continuation Grant funds). Only Outlay, Effort, and Products to be performed with these funds should be entered in Attachment A.

11. Each program area need not reflect a 50/50 or 70/30 funding ratio. The minimum level of matching funds is computed for the Grantee program on a programwide basis. In Attachment A, enter the total HPF funding and the total matching share (including "overmatch," if any) for each HPF program area to be assisted. This permits cost estimates to be made of each program area. (See Chapter 3, D.5, regarding activities eligible for 70/30 funding.)

12. Outlay and Effort sections should include all time and effort to be expended even if directed toward achieving a product or products not listed on the program area form. Grantees should enter unlisted products in the "Other" category. If questions arise, consult the NPS Regional Office.

13. The total of all cumulative projection outlay figures on the Summary of Outlay and Effort pages must equal the sum of all grant awards made during the current fiscal year as shown on the SF 424's.

14. For the End-of-Year Report, the grand total of Outlay should equal all funds, including Continuation Grant funds (including matching share), awarded at any time during the fiscal year minus all funds recaptured or carried over to the next fiscal year.

15. Whenever additional funds are requested, Attachment A (including the Summary of Outlay and Effort sheets), as well as the Part III Budget Forms and appropriate SF 424s must be amended.

16. When asked to "Specify," enter generic types of information, not individual project names. For example, in the Review and Compliance program area, grantees could enter "Section 4(f) highway reviews," but should not enter "review of I-9 highway expansion project for Darius County." Similarly, when specifying "Other" products, list

items at the same scale or level of detail as the type of products already listed on the form by NPS.

17. Products refers to activities and results estimated to occur during the reporting period (i.e., the Federal fiscal year); specifically, to actions that will be completed, reviews that will be performed, or requests that will be answered during the reporting period. It does not refer to the number of items that will be received during the reporting period. For example, an item that is received during FY "X" but will not be completed until FY "Y" should be counted in the Continuation Grant Application, or in a subsequent application or amendment, not in the FY 19XX End-of-Year Report.

18. Admininistrative costs (defined in Chapter 6, Section E) should be included only in the Administration program area, not in the other program areas. All other items including salaries, travel, and other time and expenses should be included within program areas as appropriate. As a general rule, if administrative costs constitute more than 15 percent of total program costs, the Grantee should consult the NPS Regional Office for interpretation of the administrative costs definition, as NPS will inquire about the entry. (See Exhibit 7-B.)

19. The designated unit of measurement for the Effort sections is the work month; i.e., 1/12 of a work year; assume 2,080 work hours in a work year.

20. By the end of the fiscal year, the grand total of SHPO staff time for all program areas should be approximately the same number of work years (when converted from months) as there are staff. Grantees should be able to explain Effort grand totals that significantly differ from the number of staff (e.g., the Grantee may be using temporary employees, fiscal administration personnel from other agencies, etc.). For example, if 5 staff will work full time for 12 months on HPF grant-related activities and handle in the process all of the HPF grant-related activities, the total Effort should be 60 work months.

21. The SHPO's time should be included, where appropriate, as part of "SHPO staff" effort. Effort expended by the State Review Board and State-supported regional preservation offices should not be included as part of "SHPO staff" effort. This effort should be identified and listed under the "Other" category in the Effort section. If effort expended by contractors, subgrantees, and other personnel who work for (but are not necessarily paid by) the HPF grantee is required to be documented by the SHPO, this effort should also be identified and listed separately under "Other".

22. "Technical Assistance" (see Glossary for definition) is listed as a product for each program area. Do not count items as "Technical Assistance" that are already counted in other categories.

23. A multi-purpose subgrant (i.e., one covering more than one program area) should be listed in only one program area, depending on the

principal program area product of the subgrant. Administrative controls should be to implemented prevent double counting.

24. In completing Attachment A, Grantees must use a Federal share that does not exceed the planning estimates provided by NPS or amounts provided in Apportionment Certificates.

25. Active subgrants are subgrants that will be administered during the current fiscal year. SHPO time and money spent administering these subgrants should be entered in the Outlay and Effort sections as appropriate in each relevant program area.

26. If there is an amount listed for "subgrants" in the Outlay section, generally there should also be amounts listed in Outlay and Effort for "Administration of subgrants". Grantees should explain where this is not the case.

27. Time and money spent in the current year to administer subgrants awarded in a prior year must be entered in the Outlay and Effort sections as appropriate. However, the amounts of these subgrants should not be entered, unless the funds will be expended during the current fiscal year.

28. Any subgrant that will be both "active" and "completed" during the current fiscal year, should be entered in only one category. For purposes of this reporting exercise, select the category that is accurate for the largest portion of the Federal fiscal year.

## B. General Guidelines (For Current Fiscal Year Appropriated Funds Only).

Supplemental requirements applicable to individual appropriations/apportionments will be supplied by NPS as needed.

## C. Guidelines for Specific Program Areas.

### 1. Administration Program Area.

a. Preparation of Grant Applications, and of End-Of-Year Reports should be included in this program area. However, monitoring of activities in each program should be included in that program area.

b. Generally, administrative costs should not exceed 15 percent of total program costs. A written explanation must accompany the Grant Application if administrative costs exceed 15 percent. (Refer to the Glossary and to Exhibit 7-B for the definition of administrative costs.)

### 2. Review and Compliance Program Area

a. In the Products section, part A, "Type," the unit of measure is the number of reviews to be completed. All such reviews should be counted, even if no comments are anticipated. If a given review satisfied several steps of a particular review and compliance process (e.g., the Section 106 process), count it as only the highest step achieved in that review. Do not count intermediate steps passed to reach the decision point of the review; they are automatically included in the final decision. If, however, a given review also addresses another review/complaince process (e.g., Section 4(f) as well as Section 106), the review should be counted twice.

b. In the Products section, part B, "Section 106 Project Finding," the unit of measure is the number of completed Section 106 project findings.

c. In the Products section, "Other" category, specify what the "Type" review and compliance categories are (e.g., permits).

d. Projects that have no Federal involvement (i.e., are purely State/local) but will nonetheless be reviewed by the SHPO (e.g., under State law) should be listed only in the "Other" category, and should not be combined with other Federal reviews. Clearly identify which listings in the "Other" category are Federal.

e. Reviews must be substantive (i.e., an examination of project documents) to be counted. For example, do not count a project on a State Clearinghouse project list as being reviewed if, after examining the list, a decision was made not to review the project.

f. National Register nominations that have become determinations of eligibility due to lack of owner consent should not be counted as "determinations of eligibility." Count these as "Nominations" since they are reviewed by the Grantee essentially as nominations.

g. Reviews (including file searches and comments) on specific site eligibility that will not be forwarded to NPS by a Federal agency as official Determination of Eligibility (D.O.E.) requests should not be listed as D.O.E.'s. For example, D.O.E. reviews resulting in agreements that the properties in question are not eligible for listing in the National Register should not be counted as D.O.E.'s; such reviews should be listed either in the "Finding of No Properties in Impact Area, " "Technical Assistance Requests Answered," or "Other" categories.

h. Only MOA's that are anticipated to result from a Section 106-triggered project review should be included in this program area. All others should be listed in the Planning program area.

i. Consensus Determinations of Eligibility should be entered in the "Considered Eligible" blank. They should not be included in the "Determinations of Eligibility" blank.

j. If a single project ends with multiple findings for the properties include within the scope of the project, it must nevertheless be listed in only one category under "Type."

States should select the category that best describes the project as a whole. For example, if the Federal project impacts an area containing 10 historic properties of equal significance and findings indicate that it will have no effect on 2 properties and an adverse effect on 8 properties, the State should list the project under "Adverse Effect." If a State wishes to report multiple findings within a project it may do so, but only in the "Other" blank.

3. National Register Program Area.

   a. Enter the number of nominations estimated for submittal to the National Register during the fiscal year, not the number of nominations to be prepared or received by the Grantee.

   b. Do not count resubmissions of nominations returned by the National Register for additional action.

   c. Any boundary enlargement of a property that is already on the National Register should be counted as a new nomination.

   d. Time and funds used to prepare for (and participate in) Review Board meetings should be counted in the Outlay and Effort sections.

   e. National Register nominations that are expected to become determinations of eligibility because of lack of owner consent should not be counted as determinations of eligibility. Count these as nominations since they are reviewed by the Grantee office esentially as nominations (i.e., Review Board review, etc.).

   f. Do not include Federal nominations in other categories. For example, a Federal nomination of an individual property should be entered in the "Federal (Individual)" category, not the "Individual Property" category.

   g. As a crosscheck, note that there must be at least one property per nomination.

   h. The "number of contributing properties contained in nominations" refers to the number of contributing individual sites, buildings, structures, or objects contained in the nomination. For historic districts, it refers to the number of contributing properties within the boundary of the district.

4. Preservation Tax Incentives Program Area.

   a. Products, with the exception of technical assistance, refers to the number of Historic Preservation Certification Applications including requests for final certification, on which the grantee expects to comment and forward to NPS, not to the number of actions anticipated to be received by the grantee.

b. An application returned by NPS for additional information or review should not be counted a second time when resubmitted.

c. "Technical Assistance Requests Answered" are interpretations of certification and determinations forms, or of the Secretary's Standards and their applicability to specific projects. Sending brochures or forms per se does not constitute a response to technical assistance requests.

d. Grantees should note that three types of Certifications of Rehabilitation are listed in the Products section. Part I applications refer to Evaluations of Significance. Part II applications refer only to applications for preliminary approval that are filed separately from an application for final approval of completed work. Part III applications refer to applications for final approval of completed work filed individually and to a joint filing for both preliminary and final approval.

e. "Evaluations of Significance" includes both Determinations of Significance and Decertifications of Significance.

f. Individually filed applications for preliminary approval should be entered in the Part II blank. However when an application is filed seeking joint preliminary and final approval, it should be counted as a single application and entered in the Part III blank.

g. Applications forwarded to NPS without review or comment should be noted as such and entered only in the "Other" category.

5. Survey Program Area.

a. In the Products section, do not include properties to be surveyed at the "National Register Level of Documentation" in the "Minimum Level of Documentation" category, unless they will be separately surveyed at the Minimum Documentation level.

b. Do not include areas to be surveyed at the "Intensive Level of Survey" in the "Reconnaissance Level of Survey" unless they will be separately surveyed at the Reconnaissance level.

c. Include all square miles from surveys to be completed during the current fiscal year regardless of funding source. Similarly, include all properties to be added to the State inventory during the current fiscal year regardless of funding source. For example, data from a previous year which will be administratively processed during FY "X" should be entered in the FY "X" Attachment A; results from non-HPF funded surveys that will be administratively processed during FY "X" should also be included. Properties that already are part of the inventory but which are being computerized or are otherwise part of an inventory reorganization should not be counted in this program area. The area that must be resurveyed to upgrade data already in the inventory for consistency with the State comprehensive historic preservation plan should be included in this program data. See the Planning program area.

Processing the upgraded inventory entries should be included in the Planning program area, not in the Survey program area. The Survey program area includes only new entries to the State inventory.

d. In the "Square Miles Surveyed" section, assure that square miles are used as the unit of measure.

e. For purposes of this application, characterize all surveys as either archeology or architecture/history, even though a Grantee might use different terms for its own purposes. As a general rule, any survey referred to as prehistoric, underground, submerged, or the like, should be characterized as archeological; every other kind of survey should be characterized as architectural/historic. If an area will be examined for both architectural/historical and archeological resources in a single survey, project, or task, it should be included in both categories. Consult the NPS Regional Office if there are questions about how to categorize a survey.

f. If the Grantee believes that its survey in any category has been completed (e.g., Reconnaissance Survey for Architectural/Historic Resources) for the entire State, it should enter "Complete" in that blank.

g. Survey subgrants to be awarded to local governments should be included, unless they are funded as part of the Local Pass-Through allocation to certified local governments. See Local Government Certification/Pass-Through program area.

h. Properties added to the State inventory refers to the number of contributing properties in districts, sites, buildings, structures, and objects added to the State inventory.

6. Planning Program Area.

a. In the Products section, the "Number of Plans and Specifications should include the number to be completed (and reviewed by the SHPO) during the current fiscal year regardless of the year funded. Do not include preliminary certifications of rehabilitation in this category (instead, see Preservation Tax Incentive program area).

b. In "Plans, Reports, and Guidelines," include only those developed, or those whose development was contracted for, by the Grantee. Include only those that demonstrate how identification, evaluation, and protection activities should be carried out.

c. Activities such as outreach, public education, and legislative activities, should not be included in this program area except as they relate to comprehensive planning (instead, see Other Activities program area). Preparation of Applications, Attachment A's, End-of-Year Reports, etc., should be included in the Administration program area.

d. MOA's that result from a Section 106 project review should be included only in the Review and Compliance program area. All others should be listed in this program area.

e. Activities associated with the certification of local governments should not be included in this program area (instead, see Local Government Certification/Pass-Through program area). However, projected planning subgrants to local governments which are not funded as part of the local pass-through allocation to certified local governments should be included.

f. Predevelopment activity should not be included in this program area. See the Development program area.

g. State inventory entries that have been upgraded for consistency with the State comprehensive historic preservation plan should be counted in this program area. Count the number of entries, not the number of contributing properties in the entries.

7. Local Government Certification/Pass-Through Program Area.

a. Fill in all of the blanks, ensuring that at least 10 percent of the planning estimate or the total allocation, whichever is applicable, is shown in the Outlay; Pass-Through Subgrants blanks.

b. The 10 percent minimum pass-through is to be calculated based on the entire fiscal year's award including any awards made under a Continuing Resolution or supplemental apportionments.

c. The 10 percent minimum computation should be based solely on each fiscal year's funds. Do not include Continuation Grant, or any other awards using prior year funds to make the calculation for the current fiscal year. Attachment A must contain at least 10 percent for the current fiscal year plus whatever pass-through was carried over as part of the Continuation Grant.

d. In the Outlay and Effort sections, the cost and time spent in setting up and obtaining NPS approval of a certification program as well as in the actual certification process should be included in "Certification of Local Governments." Once local governments are certified, the cost and time spent monitoring and evaluating their qualifications and otherwise administering the CLG program (aside from CLG subgrants) should be included in "Administration of Certified Local Government Participation."

These costs cannot be counted as part of the 10 percent minimum pass-through allocation which must be used entirely for subgrants, unless written permission is granted by NPS.

e. Activities and subgrants involving local governments but not related to the Local Government Certification/Pass-Through program should not be included in this program area.

f. States need not include time to be spent by local governments in the Effort, "Other" category.

g. In the Products section, the "Number of Certified Governments Monitored" should include those to be certified during the current fiscal year.

h. Outlay and Effort related to CLG pass-through subgrants should be reported only in this program area. Products of CLG pass-through subgrants should be reported in the appropriate program area; e.g., survey in the Survey program area.

8. Development Program Area.

a. Certified Local Government/Pass-Through program subgrants (i.e. subgrants from the SHPO to a CLG) should be excluded from this program area.

b. Predevelopment activities should be included in this program area. Project planning activities that are not predevelopment (see Glossary) should be entered in the Planning program area.

9. Acquisition Program Area.

Certified Local Government Pass-Through program subgrants should be excluded from this program area.

10. Covenants and Letters of Agreement Program Area.

For purposes of Attachment A, administration of covenants and letters of agreement begin upon completion of either an acquisition or development project.

11. Other Activities Program Area.

a. Activities such as general outreach, public education (brochures, etc.), legislative activities, etc., belong in this program area. Check with the NPS Regional Office before including additional activities here to ensure that they do not belong elsewhere.

b. If anything is entered in Outlay and Effort, a corresponding product must be specified and quantified in the Products section.

12. Summary of Outlay and Effort:

    a. Use the summary sheets to ensure that all Grantee Outlay and Effort has been included in the various program areas. Submit the summary sheets with each update of Attachment A. NPS will use the summary to verify that all HPF dollars and matching share are accounted for.

    b. The Outlay totals should correspond to totals for all of the SF 424's and the Part III Budget forms for the current fiscal year.

    c. The Effort of subgrantees should be excluded from the SHPO stafftime column.

D. Guidelines for Specific Program Areas (for current fiscal year appropriated funds only). Supplemental requirements applicable to individual appropriations/apportionments will be supplied by NPS.

EXHIBIT 7-E

## ATTACHMENT A

FORMS

OMB FORM NO. 1024-0027

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NO. 1024-0027

EXHIBIT 7-E

Date:__________

ATTACHMENT A
APPLICATION

Page __ of __

STATE:__________

PROGRAM AREA: ADMINISTRATION

FISCAL YEAR:__________

## INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| | Cumulative Projection | Actual |
|---|---|---|
| Outlay ($): | | |
| HPF.............................. | __________ | __________ |
| Matching Funds................ | __________ | __________ |
| Effort (Work Months): | | |
| SHPO Staff..................... | __________ | __________ |
| Other (Specify)............... | __________ | __________ |

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Date: ________

ATTACHMENT A
APPLICATION

Page __ of __

STATE: ______________

PROGRAM AREA: REVIEW AND COMPLIANCE

FISCAL YEAR: ______________

## INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| Outlay ($): | HPF | Match | HPF | Match |
| A. Active Review and Compliance Subgrants.......... | | | | |
| B. Administration of Active Subgrants.............. | | | | |
| C. In-House...................... | | | | |
| D. Other (Specify)............... | | | | |

| | | | | |
|---|---|---|---|---|
| Effort (Work Months): | SHPO Staff | Other (Specify) | Staff | Other (Specify) |
| A. Administration of Active Review and Compliance Subgrants....... | | | | |
| B. In-House...................... | | | | |
| C. Other (Specify)............... | | | | |

| Products: | Cumulative Projection | Actual |
|---|---|---|
| A. Type: (Number of Reviews) | | |
| State Clearinghouse Reviews.............. | | |
| EIS's................................ | | |
| Determinations of Eligibility................................ | | |
| Considered Eligible...................... | | |
| Categorical Exclusions................... | | |

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EXHIBIT 7-E

Date:________

ATTACHMENT A
APPLICATION

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STATE:____________

PROGRAM AREA (Continued): REVIEW AND COMPLIANCE

FISCAL YEAR:__________

Products:
(Continued)

| | Cumulative Projection | Actual |
|---|---|---|
| A. Type (Continued) | | |
| Other Federal Reviews (Specify)........... | | |
| ................................. | | |
| ................................. | | |
| ................................. | | |
| Other Reviews (Specify).................. | | |
| ................................. | | |
| B. §106 Project Findings: (Number of Projects) | | |
| No Properties in Impact Area......................... | | |
| No Effect on Properties.................. | | |
| No Adverse Effect........................ | | |
| Adverse Effect........................... | | |
| Conditional No Adverse Effect.......................... | | |
| Project Memoranda of Agreement (new)...... | | |
| Project Memoranda of Agreement (revised).. | | |
| C. Technical Assistance Requests Answered........................ | | |
| D. Active Subgrants: | | |
| Carried Over Into Current Year............ | | |
| Initiated in Current Year................ | | |
| Completed During Current Year............ | | |
| Carried Over Into Next Year.............. | | |
| E. Final Project Reports.................... | | |
| F. Other (Specify).......................... | | |

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EXHIBIT 7-E

Date:__________

ATTACHMENT A
APPLICATION

Page __ of __

STATE:__________

PROGRAM AREA: NATIONAL REGISTER

FISCAL YEAR:__________

INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| Outlay ($): | HPF | Match | HPF | Match |
| A. Active National Register Subgrants..................... | ____ | ____ | ____ | ____ |
| B. Administration of Active Subgrants..................... | ____ | ____ | ____ | ____ |
| C. In-House...................... | ____ | ____ | ____ | ____ |
| D. Other (Specify).............. | ____ | ____ | ____ | ____ |
| Effort (Work Months): | SHPO Staff | Other (Specify) | SHPO Staff | Other (Specify) |
| A. Administration of Active National Register Subgrants... | ____ | ____ | ____ | ____ |
| B. In-House...................... | ____ | ____ | ____ | ____ |
| C. Other (Specify).............. | ____ | ____ | ____ | ____ |

Products:

A. State Nominations:

| | Number of Nominations Submitted to the National Register | | Number of Contributing Properties Contained in Nominations | |
|---|---|---|---|---|
| | Projected | Actual | Projected | Actual |
| Districts.......... | ____ | ____ | ____ | ____ |
| Sites.............. | ____ | ____ | ____ | ____ |
| Buildings.......... | ____ | ____ | ____ | ____ |
| Structures......... | ____ | ____ | ____ | ____ |
| Objects............ | | | | |

OMB FORM
NO. 1024-0027

EXHIBIT 7-E

Date: ____________

ATTACHMENT A
APPLICATION

Page __ of __

STATE: ______________

PROGRAM AREA (Continued): NATIONAL REGISTER

FISCAL YEAR: ______________

Products
(Continued):

State Nominations:

| | Cumulative Projection | Actual |
|---|---|---|
| Number of Multiple Resource Area Nominations Submitted.............. | ________ | ________ |
| Number of Theme Nominations Submitted............................. | ________ | ________ |

B. Federal Nominations:

| | Number of Nominations submitted to the National Register | | Number of Contributing Properties contained in National Register Nominations | |
|---|---|---|---|---|
| | Cumulative Projection | Actual | Cumulative Projection | Actual |
| Districts.............. | ______ | ______ | ______ | ______ |
| Sites.................. | ______ | ______ | ______ | ______ |
| Buildings.............. | ______ | ______ | ______ | ______ |
| Structures............. | ______ | ______ | ______ | ______ |
| Objects................ | ______ | ______ | ______ | ______ |

| | Cumulative Projection | Actual |
|---|---|---|
| Number of Multiple Resource Area Nominations Submitted.............. | ________ | ________ |
| Number of Theme Nominations Submitted............................. | ________ | ________ |
| C. Number of Responses to Technical Assistance Requests........... | ________ | ________ |

D. Active Subgrants:

| | | |
|---|---|---|
| Carried Over Into Current Year........... | ________ | ________ |
| Initiated in Current Year................ | ________ | ________ |
| Completed During Current Year............ | ________ | ________ |
| Carried Over Into Next Year.............. | ________ | ________ |
| E. Final Project Reports................. | ________ | ________ |

F. Other (Specify)........................

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NO. 1024-0027

EXHIBIT 7-E

Date:__________

ATTACHMENT A
APPLICATION

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STATE:__________

PROGRAM AREA: PRESERVATION TAX INCENTIVES

FISCAL YEAR:__________

## INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| Outlay ($): | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| | HPF | Match | HPF | Match |
| A. Active Tax Subgrants | | | | |
| B. Administration of Active Subgrants | | | | |
| C. In-House | | | | |
| D. Other (Specify) | | | | |

| Effort (Work Months): | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| | SHPO Staff | Other (Specify) | SHPO Staff | Other (Specify) |
| A. Administration of Active Tax Subgrants | | | | |
| B. In-House | | | | |
| C. Other (Specify) | | | | |

Products:

| A. Number of Documents Commented on and Forwarded to NPS: | Cumulative Projection | Actual |
|---|---|---|
| Certifications requests of: | | |
| State or Local Statutes | | |
| State or Local Districts | | |
| Evaluations of Significance (i.e., Pt. I) | | |
| Preliminary Certifications of Rehabilitation (i.e., Pt.II) Filed Separately From Final Certifications | | |

OMB FORM
NO. 1024-0027

EXHIBIT 7-E

Date:__________

ATTACHMENT A
APPLICATION

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STATE:__________

PROGRAM AREA (Continued): PRESERVATION TAX INCENTIVES

FISCAL YEAR:__________

| | Cumulative Projection | Actual |
|---|---|---|
| Products (Continued): | | |
| A. Number of Documents Commented on: | | |
| Final Certifications of Rehabilitation (i.e., Pt. III) Filed Separately .................. | __________ | __________ |
| Final Certifications of Rehabilitation (i.e., Pt. III) Filed Jointly With Part IIs......... | __________ | __________ |
| B. Technical Assistance Requests Answered................. | __________ | __________ |
| C. Active Subgrants: | | |
| Carried Over Into Current Year...... | __________ | __________ |
| Initiated in Current Year........... | __________ | __________ |
| Completed During Current Year....... | __________ | __________ |
| Carried Over Into Next Year......... | __________ | __________ |
| D. Final Project Reports............... | __________ | __________ |
| E. Other (Specify)..................... | __________ | __________ |

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PROGRAM AREA: SURVEY

FISCAL YEAR:__________

## INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| Outlay ($): | HPF | Match | HPF | Match |
| A. Active Survey Subgrants...................... | | | | |
| B. Administration of Active Survey Subgrants...................... | | | | |
| C. In-House...................... | | | | |
| D. Other (Specify)............... | | | | |
| ............... | | | | |

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| Effort (Work Months): | SHPO Staff | Other (Specify) | SHPO Staff | Other (Specify) |
| A. Administration of Active Survey Subgrants...................... | | | | |
| B. In-House...................... | | | | |
| C. Other (Specify)............... | | | | |

Products:

A. Active Subgrants:

| | | |
|---|---|---|
| Carried Over Into Current Year.......... | | |
| Initiated in Current Year............... | | |
| Completed During Current Year........... | | |
| Carried Over Into Next Year............. | | |

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PROGRAM AREA (Continued): SURVEY

FISCAL YEAR:________

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| **Products** (Continued): | From HPF Surveys | Other | From HPF Surveys | Other |
| B. Number of Contributing Properties added to State Inventories: | | | | |
| Minimum Level of Documentation: | | | | |
| Architecture/History. | ______ | ______ | ______ | ______ |
| Archeology.......... | ______ | ______ | ______ | ______ |
| National Register Level of Documentation: | | | | |
| Architecture/History. | ______ | ______ | ______ | ______ |
| Archeology.......... | ______ | ______ | ______ | ______ |
| C. Number of Square Miles Surveyed: | | | | |
| Reconnaissance Level Survey: | | | | |
| Architecture/History. | ______ | ______ | ______ | ______ |
| Archeology.......... | ______ | ______ | ______ | ______ |
| Intensive Level Survey: | | | | |
| Architecture/History. | ______ | ______ | ______ | ______ |
| Archeology.......... | ______ | ______ | ______ | ______ |
| D. Number of Technical Assistance Requests Answered............ | ________ | | ________ | |
| E. Final Project Reports......... | ________ | | ________ | |
| F. Other (Specify).............. | ________ | | ________ | |

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PROGRAM AREA: PLANNING

FISCAL YEAR:______________

INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| Outlay ($): | HPF | Match | HPF | Match |
| A. Active Planning Subgrants........ | | | | |
| B. Administration of Active Planning Subgrants........ | | | | |
| C. In-House......... | | | | |
| D. Other (Specify).. | | | | |
| .......... | | | | |

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| Effort (Work Months): | SHPO Staff | Other (Specify) | SHPO Staff | Other (Specify) |
| A. Administration of Active Planning Subgrants.......... | | | | |
| B. In-House........... | | | | |
| C. Other (Specify).... | | | | |
| ............. | | | | |

Products:

| A. Active Subgrants: | Cumulative Projection | Actual |
|---|---|---|
| Carried Over Into Current Year.......... | | |
| Initiated in Current Year............... | | |
| Completed During Current Year........... | | |
| Carried Over Into Next Year............. | | |

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PROGRAM AREA (Continued): PLANNING

FISCAL YEAR: ______

| | Cumulative Projection | Actual |
|---|---|---|
| **Products (Continued):** | | |
| B. Number of Plans, Reports, or Guidelines developed...... | ________ | ________ |
| C. Number of Project Plans and Specifications..... | ________ | ________ |
| D. Number of Historic Structure Reports........... | ________ | ________ |
| E. Number of new programmatic MOA's entered into with Federal agencies............. | ________ | ________ |
| F. Number of renewed or revised programmatic MOA's entered into with Federal agencies............. | ________ | ________ |
| G. Number of programmatic MOU's/MOA's entered into with State, Regional, or local agencies............ | ________ | ________ |
| H. Number of State Inventory Listings Upgraded For Compliance With Comprehensive Plan......................... | ________ | ________ |
| I. Number of Technical Assistance Requests Answered............ | ________ | ________ |
| J. Final Project Reports......... | ________ | ________ |
| K. Other (Specify).............. | ________ | ________ |

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PROGRAM AREA: LOCAL GOVERNMENT CERTIFICATION/PASS-THROUGH

FISCAL YEAR:

INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| Outlay ($): | HPF | Match | HPF | Match |
| A. Certification of Local Governments (CLGs)...... | ____ | ____ | ____ | ____ |
| B. Administration of CLG Participation.......... | ____ | ____ | ____ | ____ |
| C. Pass-Through Subgrants: | | | | |
| 1. General........ | ____ | ____ | ____ | ____ |
| 2. Survey......... | ____ | ____ | ____ | ____ |
| 3. Planning....... | ____ | ____ | ____ | ____ |
| 4. Development.... | ____ | ____ | ____ | ____ |
| 5. Review & Comp.. | ____ | ____ | ____ | ____ |
| 6. Nominations.... | ____ | ____ | ____ | ____ |
| 7. Pres. Tax...... | ____ | ____ | ____ | ____ |
| 8. Other (Specify)...... | ____ | ____ | ____ | ____ |
| ............. | ____ | ____ | ____ | ____ |
| 9. Total......... | ____ | ____ | ____ | ____ |
| D. Administration of Pass-Through Subgrants......... | ____ | ____ | ____ | ____ |

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PROGRAM AREA (Continued): LOCAL GOVERNMENT CERTIFICATION/PASS-THROUGH

FISCAL YEAR: ________

| Outlay (Continued): | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| | HPF | Match | HPF | Match |
| E. Training and Orientation For CLGs............. | ______ | ______ | ______ | ______ |
| G. Promotion of CLG Program...... | ______ | ______ | ______ | ______ |
| H. Other (Specify).. | ______ | ______ | ______ | ______ |
| ............ | ______ | ______ | ______ | ______ |

| Effort (Work Months): | | | | |
|---|---|---|---|---|
| | SHPO Staff | Other (Specify) | SHPO Staff | Other (Specify) |
| A. Certification of Local Governments | ______ | ______ | ______ | ______ |
| B. Administration of CLG Participation........ | ______ | ______ | ______ | ______ |
| C. Administration of Pass-Through Subgrants....... | ______ | ______ | ______ | ______ |
| D. Training and Orientation For CLGs........ | ______ | ______ | ______ | ______ |
| E. Promotion of CLG Program..... | ______ | ______ | ______ | ______ |
| F. Other (Specify). | ______ | ______ | ______ | ______ |
| ............. | ______ | ______ | ______ | ______ |

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STATE:____________

PROGRAM AREA (Continued): LOCAL GOVERNMENT CERTIFICATION/PASS-THROUGH

FISCAL YEAR:_________

| Products: | Cumulative Projection | Actual |
|---|---|---|
| A. Active Subgrants: | | |
| Carried Over Into Current Year.......... | | |
| Initiated in Current Year............... | | |
| Completed During Current Year........... | | |
| Carried Over Into Next Year............. | | |
| B. Number of CLGs Funded During Fiscal Year | | |
| C. Number of Local Governments Certified in Fiscal Year........................... | | |
| D. Number of CLGs Monitored............... | | |
| E. Number of CLGs Evaluated............... | | |
| F. Number of CLGs Decertified............. | | |
| G. Number of CLG Orientation or Training Sessions Held......................... | | |
| E. Number of Technical Assistance Requests Answered...................... | | |
| F. Final Project Reports.................. | | |
| G. Other (Specify)........................ | | |
| ........................ | | |

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PROGRAM AREA: DEVELOPMENT

FISCAL YEAR: ______________

## INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| Outlay ($): | HPF | Match | HPF | Match |
| A. Active Development Subgrants....... | | | | |
| B. Administration of Active Development Subgrants....... | | | | |
| C. In-House........ | | | | |
| D. Other (Specify). | | | | |
| Effort (Work Months): | SHPO Staff | Other (Specify) | SHPO Staff | Other (Specify) |
| A. Administration of Active Development Subgrants....... | | | | |
| B. In-House Development .... | | | | |
| C. Other (Specify). | | | | |

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STATE:__________

PROGRAM AREA (Continued): DEVELOPMENT

FISCAL YEAR:_______

| | Cumulative Projection | Actual |
|---|---|---|
| **Products:** | | |
| A. Active Subgrants: | | |
| Carried Over Into Current Year.......... | ________ | ______ |
| Initiated in Current Year............... | ________ | ______ |
| Completed During Current Year........... | ________ | ______ |
| Carried Over Into Next Year............. | ________ | ______ |
| B. Number of Predevelopment Project Plans and Specifications................ | ________ | ______ |
| C. Number of Predevelopment Historic Structure Reports.............. | ________ | ______ |
| D. Number of Final Project Reports......... | ________ | ______ |
| E. Number of Technical Assistance Requests Answered...................... | ________ | ______ |
| F. Other (Specify)......................... | ________ | ______ |

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STATE:_______________

PROGRAM AREA: ACQUISITION

FISCAL YEAR:_______________

INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| Outlay ($): | HPF | Match | HPF | Match |
| A. Active Acquisition Subgrants....... | ________ | ________ | ________ | ________ |
| B. Administration of Active Acquisition Subgrants....... | ________ | ________ | ________ | ________ |
| C. In-House Acquisition Projects........ | ________ | ________ | ________ | ________ |
| D. Other (Specify). | ________ | ________ | ________ | ________ |
| Effort (Work Months): | SHPO Staff | Other (Specify) | SHPO Staff | Other (Specify) |
| A. Administration of Active Acquisition Subgrants....... | ________ | ________ | ________ | ________ |
| B. In-House Acquisition Projects........ | ________ | ________ | ________ | ________ |
| C. Other (Specify). | | | | |

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STATE:__________

PROGRAM AREA (Continued): ACQUISITION

FISCAL YEAR:__________

| | Cumulative Projection | Actual |
|---|---|---|
| **Products:** | | |
| A. Active Subgrants: | | |
| Carried Over Into Current Year.......... | ________ | ______ |
| Initiated in Current Year............... | ________ | ______ |
| Completed During Current Year........... | ________ | ______ |
| Carried Over Into Next Year............. | ________ | ______ |
| B. Number of Final Project Reports......... | ________ | ______ |
| C. Number of Technical Assistance Requests Answered................................ | ________ | ______ |
| D. Other (Specify)......................... | ________ | ______ |

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PROGRAM AREA: COVENANTS AND LETTERS OF AGREEMENT

FISCAL YEAR:__________

INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| | Cumulative Projection | | Actual | |
|---|---|---|---|---|
| Outlay ($): | HPF | Match | HPF | Match |
| A. Administration of Covenants and Letters of Agreement on Completed Subgrants....... | ______ | ______ | ______ | ______ |
| B. Other (Specify). | ______ | ______ | ______ | ______ |
| Effort (Work Months): | SHPO Staff | Other (Specify) | SHPO Staff | Other (Specify) |
| A. Administration of Covenants and Letters Of Agreement on Completed Subgrants....... | ______ | ______ | ______ | ______ |
| B. Other (Specify). | ______ | ______ | ______ | ______ |

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PROGRAM AREA (Continued): COVENANTS AND LETTERS OF AGREEMENT

FISCAL YEAR:______

| | Cumulative Projection | Actual |
|---|---|---|
| Products: | | |
| A. Number of Active Covenants...... | ______ | ______ |
| B. Number of Active Letters of Agreement.................... | ______ | ______ |
| C. Number of Technical Assistance Requests Answered.............. | ______ | ______ |
| D. Other (Specify)................. | ______ | ______ |

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STATE:______________

PROGRAM AREA: OTHER ACTIVITIES

FISCAL YEAR:______________

INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| Outlay ($): | Cumulative Projection HPF | Cumulative Projection Match | Actual HPF | Actual Match |
|---|---|---|---|---|
| A. Active ________ (Specify) Subgrants.................... | ______ | ______ | ______ | ______ |
| B. Administration of Active Subgrants............. | ______ | ______ | ______ | ______ |
| C. In-House..................... | ______ | ______ | ______ | ______ |
| D. Other (Specify).............. | ______ | ______ | ______ | ______ |

| Effort (Work Months): | SHPO Staff | Other (Specify) | SHPO Staff | Other (Specify) |
|---|---|---|---|---|
| A. Administration of Active ______ Subgrants............ | ______ | ______ | ______ | ______ |
| B. In-House..................... | ______ | ______ | ______ | ______ |
| C. Other (Specify).............. | ______ | ______ | ______ | ______ |

Products:

| | | |
|---|---|---|
| (Specify).................. | __________ | __________ |
| .................. | __________ | __________ |
| .................. | __________ | __________ |

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FISCAL YEAR:__________

## INSTRUCTIONS

1. Refer to both the Glossary and the Guidelines for Completing Attachment A.
2. Application: Fill in all blanks in the "Cumulative Projection" columns. Use "N.A." if the category is not applicable. Use "0" if the category is applicable, but no cumulative action is anticipated during the reporting period with funds cumulatively available.
3. End-of-Year Report: Fill in all blanks in the "Actual" columns.

| | Cumulative Projection | Actual |
|---|---|---|

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EXHIBIT 7-E

## ATTACHMENT A
## SUMMARY OF OUTLAY AND EFFORT

STATE: ____________
DATE: ____________

CUMULATIVE
PROJECTION: __ (check if applicable)
ACTUAL: __ (check if applicable)

| | HPF ($) | Matching Share ($) | SHPO Staff-time (work months) |
|---|---|---|---|
| I. Administration | | | |
| II. Review and Compliance Program | | | |
| A. Subgrants | | | |
| B. Administration of Subgrants | | | |
| C. In-House | | | |
| D. Other | | | |
| III. National Register Program | | | |
| A. Subgrants | | | |
| B. Administration of Subgrants | | | |
| C. In-House | | | |
| D. Other | | | |
| IV. Preservation Tax Incentive Program | | | |
| A. Subgrants | | | |
| B. Administration of Subgrants | | | |
| C. In-House | | | |
| D. Other | | | |
| V. Survey Program | | | |
| A. Subgrants | | | |
| B. Administration of Subgrants | | | |
| C. In-House | | | |
| D. Other | | | |
| VI. Planning Program | | | |
| A. Subgrants | | | |
| B. Administration of Subgrants | | | |
| C. In-House | | | |
| D. Other | | | |
| VII. Local Govt. Certification/Pass-Through | | | |
| A. Certification of Local Governments | | | |
| B. Administering CLG Participation | | | |
| C. Pass-Through Subgrants | | | |
| D. Admin. of Pass-Through Subgrants | | | |
| E. CLG Training and Orientation | | | |
| F. CLG Program Promotion | | | |
| G. Other | | | |
| Subtotal A | | | |

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EXHIBIT 7-E

## ATTACHMENT A
## SUMMARY OF OUTLAY AND EFFORT
## (CONTINUED)

STATE: ______________
DATE: ______________

| CUMULATIVE<br>PROJECTION: __ (check if applicable)<br>ACTUAL: __ (check if applicable) | HPF ($) | Matching Share ($) | SHPO Staff-time (work months) |
|---|---|---|---|
| VIII. Development Program | | | |
| A. Subgrants | ______ | ______ | ______ |
| B. Administration of Subgrants | ______ | ______ | ______ |
| C. In-House | ______ | ______ | ______ |
| D. Other | ______ | ______ | ______ |
| IX. Acquisition Program | | | |
| A. Subgrants | ______ | ______ | ______ |
| B. Administration of Subgrants | ______ | ______ | ______ |
| C. In-House | ______ | ______ | ______ |
| D. Other | ______ | ______ | ______ |
| X. Covenants And Letters of Agreement | | | |
| A. Administration | ______ | ______ | ______ |
| B. Other | ______ | ______ | ______ |
| XI. Other Activities | | | |
| A. Subgrants | ______ | ______ | ______ |
| B. Administration of Subgrants | ______ | ______ | ______ |
| C. In-House | ______ | ______ | ______ |
| D. Other | ______ | ______ | ______ |
| Subtotal B | ______ | ______ | ______ |
| Subtotal A (from previous page) | ______ | ______ | ______ |
| TOTAL | ______ | ______ | ______ |

EXHIBIT 7-F

## LISTING OF CONTINUING CONTRACTUAL COMMITMENTS

An acceptable list of continuing contractual commitments incurred must be submitted as part of the Continuation Grant application. A separate list must be submitted for each grant (50/50 or 70/30) for which funds are being carried over.

Only eligible activities incurring allowable costs in conformance with this Manual will commit funds. "Committed" means that a legal liability has been established according to grantee procedures. The contractual liabilities must be only those incurred through formally executed written contracts or unpaid purchase orders. Contractual liabilities must be listed by: name of vendor or contractor, beginning date of contract, ending date of contract, total Federal share of the contract, Federal share of the contract unpaid by September 30, and a brief statement of contract objectives. This list will serve to document unpaid liabilities which may be carried over to the next fiscal year as part of a Continuation Grant, including HPF grant funds awarded to Certified Local Governments (CLG's). A sample listing of contractual commitments is provided below.

The list must also include administrative "in-house" expenses incurred during the fiscal year and the amount of administrative "in-house" expenses to be carried over as part of the Continuation Grant to cover salaries, equipment, and other administrative costs that will be incurred during the first quarter of the new fiscal year, and must list any HPF grant funds that have been earmarked for CLG's, but that have not been awarded as of the date the listing is prepared.

The list must include the following certification statement signed by the State Historic Preservation Officer:

> "I certify that 1) this list has been compiled in accordance with applicable instructions; 2) that it accounts for the total Federal share of the new funds awarded during the fiscal year; 3) that no more than 25 percent of the current apportionment(s) will be used for continuing in-house salaries, operating costs, or for awards other than the subgrants listed here; and 4) that it is true to the best of my knowledge, information and belief."

Lists without the certification statement, or individual entries on the list which do not include all of the required information are not acceptable.

When preparing the listing of contractual commitments, use the following explanations to determine whether the commitment must appear on the list.

1. Do not include contractual commitments or liabilities that will be completed by September 30 and for which expenditures or liquidations of advances must be reported to NPS by December 31.

   Expenditure. Acceptable reimbursement requests (SF 270), Letter of Credit for Reimbursement drawdowns (SF 183), and reports of liquidations of advance (SF 272) demonstrating expenditures incurred through September 30. These payment requests must be accurate, complete, and postmarked not later than December 31 to be acceptable.

Liquidation of advances. An advance is not an expenditure until it has been liquidated by the grantee and reported to NPS on an SF 272, Federal Cash Transactions Report. This applies to advances drawn on letter of credit as well as those requested through NPS.

Subcategories of the List of Continuing Contractual Commitments should relate to Section B of the Continuation Grant application's Part III, Budget Form (see Exhibit 7-B):

1) 50/50 Continuing Contractual Commitments subtotal for SHPO salary expenses should equal at least 50% of line B.1k + B.2k.

2) 70/30 Continuing Contractual Commitments subtotal for SHPO salary expenses should equal at least 30% of line B.3k.

3) 50/50 Continuing Contractual Commitments subtotal of subgrants should equal at least 50% of line B.4k.

4) 70/30 Continuing Contractual Commitments subtotal of subgrants should equal at least 30% of line B.5k.

5) 50/50 Continuing Contractual Commitments for SHPO salary expenses plus 70/30 subtotal for SHPO salary expenses should not be more than 25% of the Fiscal Year apportionment.

Unacceptable forms (that is, forms that are inaccurate, incomplete, or postmarked after December 31) will be returned to the grantee, and the amounts reported on such forms will not be considered to be expended for the purposes of the adjustment.

Whenever the grantee determines that it is unable to utilize the full amount of the annual grant, will have uncommitted funds in excess of the 25 percent limitation, and cannot adequately justify carrying over more than 25 percent of uncommitted funds, the grantee should notify the NPS in writing of the amount of unused funds in sufficient time to allow reprogramming to other grantees as part of the following year's apportionment.

If the grantee has not notified NPS of the fact of uncommitted funds in excess of the 25 percent limitation prior to the submission of the Continuation Grant Application, the uncommitted funds should be clearly identified separately or as a supplement to the listing of continuing contractual commitments.

## SAMPLE
## LISTING OF CONTINUING CONTRACTUAL COMMITMENTS*

| Vendor or Contractor | Agreement Beginning Date | Agreement Ending Date | Total Federal Share of Commitment | Estimated Federal Share Unpaid at 9/30 | Brief Statement of Objective |
|---|---|---|---|---|---|
| SHPO Salaries and Expenses | 5/1/84 | 6/30/85 | $ 25,000 | $12,000 | Continuing Staff Salaries & Operating Costs |
| City of Bibby1) | 1/1/84 | 12/31/84 | $ 11,000 | $ 9,500 | Survey of City |
| Town of Pioneer | 8/1/84 | 12/31/84 | $ 5,000 | $ 2,500 | Historic Structure Report on Brown House |
| University of Newtown | 6/1/84 | 3/31/85 | $112,000 | $36,000 | Archeologica Study of Reuben Count |
| Total Expenditures as of 8/31/84 | $93,000 | | | | |
| GRAND TOTAL | | | $153,000 | $60,000 | |

Certification Statement (placed between last listed item and signature): "I certify that this listing has been compiled in accordance with applicable instructions; 2) that it accounts for the total Federal share of the funds awarded; 3) that no more than 25 percent of the current apportionment(s) will be used for continuing in-house salaries, operating costs, or for awards other than the agreements listed here; and 4) that it is true to the best of my knowledge, information, and belief."

(SIGNATURE OF SHPO)     (DATE)

*Expenditures, SHPO Salaries and Operating Costs, and subgrant unexpended balances to be carried over should total the Federal share of the fiscal year's grant award.

1) Certified Local Government subgrant.

5) E.O. 12372 Review. Include a statement certifying that the application has been transmitted to the E.O. 12372 Single Point of Contact for the District of Columbia. Indicate the date transmitted. (See Chapter 4.)

6) Environmental Compliance. An Environmental Certification or an Environmental Assessment must be submitted with the annual grant application. (See Chapter 11.)

b. Program Overview. The Program Overview is submitted only with an application for funding under the annual appropriation. The Overview shall include:

1) A retrospective and prospective narrative of the National Trust's program and the manner by which the organization will carry out HPF-supported work (5-8 pages).

2) A discussion of the National Trust's major program activity for the Federal fiscal year in its entirety, including activities funded with Continuation Grant funds (if any) and with new grant authority.

3) A discussion of the National Trust's HPF grant-supported priorities for the Federal fiscal year that will guide the organization in its allocation of HPF grant funds for the Program Areas. The National Trust shall include a brief explanation for the selection of each priority.

c. Attachment A for the National Trust. The Attachment A form provides cumulative objectives and major supporting activities by Program Areas and cost centers that are necessary to carry out each objective supported by HPF funds (see Chapter 6, Section G, "Program Areas Applicable to the National Trust for Historic Preservation"). Only the objectives and activities eligible for HPF grant assistance are to be listed on Attachment A (see Exhibit 8-B). The completion of objectives is reported in the End-of-Year Report column (see Chapter 25, for instructions).

d. Attachment B for the National Trust. Attachment B is a summary sheet for HPF-assisted construction projects, if any. (See Exhibit 8-C.)

e. Special Requirements for Annual Appropriated Funds. Information will be provided in writing to the National Trust to comply with legislatively or NPS administratively imposed requirements for a particular appropriation.

2. Submitting the Application. Send two complete application packages to NPS, Attention: Preservation Assistance Division. One copy must include original signatures. The Application must be signed by the President, National Trust, or a person authorized by that official's written designation to NPS to obligate the grantee to the terms and conditions of the grant.

C. Continuation Grant. The requirements associated with an allocation do not change by the award of a Continuation Grant. The same terms and conditions remain operative for the additional 12 months provided by an NPS-approved Continuation Grant. Refer to Chapters 3 and 7 for details.

1. Application. The following documentation and forms are required:

   a. Two SF 424s: one decreases the expended portion of the prior year's award; one reassigns the unexpended balance into the Continuation Grant.

   b. Listing of Continuing Contractual Commitments. The listing summarizes the Project Notifications (Informational SF 424s) forwarded to NPS during the fiscal year (include only those with unexpended balances).

   c. Attachment A for the National Trust. Only list on the Attachment A the activities assisted with carryover funds.

   d. Part III Budget Forms. Only costs carried over should be listed on the form (see Exhibit 8-A).

   e. Assurances. See Chapter 7, Exhibit 7-C, except that Assurance number 4 is to be revised to substitute compliance with OMB Circular A-110 rather than with Circular A-102.

   f. DI Form 1350, Assurance of Compliance, Title VI, Civil Rights Act of 1964. See Chapter 7, Exhibit 7-D.

2. Computing the Continuation Grant. The 25-percent limitation applies to the entire amount specified in the Apportionment Certificate executed by the Secretary of the Interior. Refer to Chapter 3, Section K, and Chapter 7, Section D.2., for instructions and sample calculations.

   NPS reserves the option to adjust the following year's HPF grant award if the National Trust has significant uncommitted carryover (in excess of 25 percent of the total apportionment), or if the previous year's Grant Agreement (expressed in the NPS-approved grant application and End-of-Year Report) is not substantially implemented.

3. Additional Information.

   a. If costs will be charged to in-house expenses, carryover amounts must be identified separately for Administration and for Program Operations (and for any other "earmarked" awards) if the National Trust has unexpended balances in each.

   b. The accrued expenses method is recommended by NPS. If the actual expenditure method is used instead, monies to cover costs in the period between the application date and the end of the fiscal year will be carried over into the Continuation Grant. Because the Continuation Grant will have a beginning date of October 1, costs incurred prior to that date will predate and be outside of the Continuation Grant period. Accordingly, a request for authorization or preagreement costs will have to be submitted to NPS.

c. Matching share carry-over. Any costs incurred or in-kind matching share contributed in the completed previous fiscal year would normally be outside the period of the Continuation Grant and therefore ineligible. The problem of using nonfederal matching share contributed during the prior completed fiscal year to match the Continuation Grant beginning the next fiscal year, may be resolved by submitting (as part of the Continuation Grant Application) a request to NPS to authorize the nonfederal share as a preagreement cost. Alternatively, a separate request and separate NPS authorization by an approved grant amendment for preagreement costs can be issued during the second fiscal year if the situation arises after the submittal of the Continuation Grant application.

3. Application Submittal.

a. Two complete Continuation Grant application packages must be submitted to NPS, Washington, D.C., Attention: Preservation Assistance Division. One package must include original signatures; the other may be a photocopy.

b. The Continuation Grant application must be postmarked not later than September 30 of each year so that continuous authority to incur costs after that date can be promptly awarded. The National Trust incurs costs at its own risk after October 1 until the Continuation Grant request is approved. Failure by the National Trust to submit an acceptable and timely Continuation Grant application may result in either or both of the following:

1) NPS may choose to delay the approval of the following year's grant allocation (if any is appropriated), and/or

2) Adjustment of unexpended grant funds in accordance with "use or lose" procedures. (See Chapter 3, Section K.)

## D. Amendments and Other Programmatic Changes.

1. The National Trust may not, without written concurrence from NPS, make changes that would substantively alter the program objectives in approved grants or project work or subgrants as summarized in the Informational SF 424. The following shall be required prior to NPS concurrence:

a. Providing financial assistance to a third party by subgrant. This includes awards to certified local governments.

b. Transferring to a third party by contract or any other means, the actual performance of substantive programmatic work. The term "substantive programmatic work" means activities that are central to carrying out the purpose of the grant or a specific project, and not merely incidental. This term does not include purchase of supplies, materials, or equipment, acquisition of general or incidental support services, obtaining advice, or activities whose cost is treated as an indirect cost.

c. Costs requiring prior NPS approval (see Chapter 13). Program application and project amendments may be initiated by NPS if: 1) on the basis of reports or adverse findings, it appears that HPF funds are being used for unauthorized purposes; or 2) if additional funds, previously appropriated or apportioned but unreleased, become available.

2. Request(s) for changes to the initial fiscal year grant shall be submitted using the same form(s) as in the original application. Only the pages affected by the amendment shall be submitted with the SF 424 facesheet (refer to Chapter 15 for NPS amendment procedures).

3. The National Trust may amend the Continuation Grant carryover subgrants (i.e., subgrants crossing Federal fiscal years) by using "scope change" amendments to substitute one subgrant for another, or to alter funding levels among listed subgrants. An amendment submitted to NPS must include the Informational 424.

4. The National Trust may later increase the "in-house" salaries and expenses portion of the Continuation Grant by cancelling or reducing subgrants carried over into the new fiscal year. However, an excessive increase in "in-house" expenses and an accompanying decrease in subgrant commitments could result in a reduction of obligational authority in the subsequent year's grant if the 25-percent limit is exceeded because of the amendment(s). If the change is submitted prior to the new year's grant award, the amount to be awarded will be reduced; if the award has already been obligated, NPS will have placed a Special Condition on the grant award authorizing an NPS adjustment by Federal deobligation of a portion of the new year's HPF award.

E. End-of-Year Report. The National Trust shall submit an acceptable End-of-Year Report to NPS not later than December 1. This Report shall consist of a comparision of proposed objectives to actual accomplishments using the right-hand column of the Attachment A form submitted for the preceding fiscal year's Annual Grant Application (see Exhibit 8-B). An accompanying brief narrative shall address major performance areas specified by NPS.

EXHIBIT 8-A

OMB NO. 80-R0188

## PART III – BUDGET INFORMATION

### SECTION A – BUDGET SUMMARY

| Grant Program, Function or Activity (a) | Federal Catalog No. (b) | Estimated Unobligated Funds | | New or Revised Budget | | |
|---|---|---|---|---|---|---|
| | | Federal (c) | Non-Federal (d) | Federal (e) | Non-Federal (f) | Total (g) |
| 1. Historic Preservation | 15.904 | $ | $ | $ | $ | $ |
| 2. | | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. TOTALS | | $ | $ | $ | $ | $ |

### SECTION B – BUDGET CATEGORIES

| 6. Object Class Categories | Administration (1) | Program Operations (2) | (3) | Subgrants (4) | Total (5) |
|---|---|---|---|---|---|
| a. Personnel | $ | $ | $ | $ | $ |
| b. Fringe Benefits | | | | | |
| c. Travel | | | | | |
| d. Equipment | | | | | |
| e. Supplies | | | | | |
| f. Contractual | | | | | |
| g. Construction | | | | | |
| h. Other | | | | | |
| i. Total Direct Charges | | | | | |
| j. Indirect Charges | | | | | |
| k. TOTALS | $ | $ | $ | $ | $ |
| 7. Program Income | $ | $ | $ | $ | $ |

EXHIBIT 8-A

OMB NO. 80-R0184

## SECTION C – NON-FEDERAL RESOURCES

| (a) Grant Program | (b) APPLICANT | (c) STATE | (d) OTHER SOURCES | (e) TOTALS |
|---|---|---|---|---|
| 8. | $ | $ | $ | $ |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. TOTALS | $ | $ | $ | $ |

## SECTION D – FORECASTED CASH NEEDS

| | Total for 1st Year | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|---|---|---|---|---|---|
| 13. Federal | $ | $ | $ | $ | $ |
| 14. Non-Federal | | | | | |
| 15. TOTAL | $ | $ | $ | $ | $ |

## SECTION E – BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

| (a) Grant Program | FUTURE FUNDING PERIODS (YEARS) | | | |
|---|---|---|---|---|
| | (b) FIRST | (c) SECOND | (d) THIRD | (e) FOURTH |
| 16. | $ | $ | $ | $ |
| 17. | | | | |
| 18. | | | | |
| 19. | | | | |
| 20. TOTALS | $ | $ | $ | $ |

## SECTION F – OTHER BUDGET INFORMATION

(Attach additional Sheets if Necessary)

21. Direct Charges:

22. Indirect Charges:

23. Remarks:

EXHIBIT 8-A

## INSTRUCTIONS

## BUDGET, PART III

GENERAL INSTRUCTIONS. In preparing the budget, adhere to any existing or newly instituted NPS guidelines and instructions which describe how and whether budgeted amounts should be separately shown for different functions or activities within the program. Sections A, B, and C should provide budget estimates for the entire HPF grant (Federal and nonfederal shares). All applications must contain a breakdown by the object class categories shown in lines a-k of Section B for the grant period. Unless supplemental instructions from NPS state otherwise, these budget forms are to be used when applying for all HPF grant funds (nonconstruction, development, or acquisition).

### SECTION A - Budget Summary DO NOT USE SHADED AREAS

1.e. Enter the total current year Federal share request to be approved as the Grant Award. The amount entered in 1.e will equal the sum of Item 12a for all SF 424s submitted as part of the application.

1.f. Enter the total current year nonfederal share request to be approved as the Grant Award. The amount entered in 1.f. will equal the sum of Item 12b for all SF 424s submitted as part of the application.

1.g. Enter the total amount (sum of 1.e and 1.f.) to be approved as the Grant Award. The amount entered in 1.g. will equal the sum of Item 12f for all SF 424s submitted as part of the application.

### SECTION B - Budget Categories DO NOT USE SHADED AREAS

Columns 1, 2, and 4:

Enter amounts for each object class category as appropriate. Total the amounts entered on lines 6.a. through 6.j. and enter the total on line 6.k; and total the amounts entered on lines 6.a through 6.k. and enter the amounts in column 5.

### SECTION C - Nonfederal Resources DO NOT USE SHADED AREAS

8.b. Enter the nonfederal share to be supplied by the National Trust for Historic Preservation.

8.d. Enter the nonfederal share to be supplied by other sources.

8.e. Enter the total nonfederal share (8.b. plus 8.d.) The amount in 8.e. will equal the amount in Item 12b for all SF 424s submitted as part of the application.

Note: Should the National Trust choose to "overmatch" program costs, the amounts must be included in Section C. Nonfederal share above the percentage required by law (overmatch) is subject to audit and adequate documentation must be maintained on file for audit purposes.

If the National Trust estimates that it will apply the value of property donated to it as nonfederal matching share, this donated property value must be detailed in a cover letter to the grant application. (See Chapter 14, Section K.9.)

SECTION F - Other Budget Information

21. Direct Charges:

Attach, if applicable, a list of proposed equipment to be purchased and the cost of each item. Equipment exceeding a cost of $1,000 per item must be listed. Equipment costing more than $1,000 not listed as part of the grant application will require written approval from NPS prior to purchase, in accordance with OMB Circular A-122.

NOTES:

1. A Standard Form 424 must be prepared for each grant, both Administration and Program Operations, as well as any special grant (e.g. The Critical Issues Fund).
2. Only one Part III, Budget Information Form need be submitted. This Form should provide the budget for the total annual appropriation. (The Part III, Budget Information Form for the Continuation Grant will list carryover funds.)
3. Costs requiring prior NPS approval should be listed in an attachment to Section F of the Part III Budget Form (See Chapter 13, Section C). If such costs are not so listed, separate written NPS prior approval must be sought by the grantee through submission of a subsequent letter or amendment request.

EXHIBIT 8-B

# FEDERAL ASSISTANCE APPLICATION
ATTACHMENT A
NATIONAL TRUST FOR HISTORIC PRESERVATION

Fiscal Year____

| 1.0 OBJ. NO. | 2.0 ANNUAL OBJECTIVE WITH SUPPORTING ACTIVITIES | 3.0 END OF YEAR REPORT |
|---|---|---|

EXHIBIT 8-C

## ATTACHMENT B, SUMMARY SHEET
## NATIONAL TRUST FOR HISTORIC PRESERVATION
Fiscal Year ___

## CONSTRUCTION PROJECTS

| TITLE | CITY/TOWN | PRESERVATION TREATMENT | TOTAL PROJECT ($) | NON-FEDERAL SHARE ($) | FEDERAL SHARE ($) | USE | EST. SUBMISSION DATE |
|---|---|---|---|---|---|---|---|

# Chapter 9. Requirements for Certified Local Governments

Reserved for future use.

# TITLE VI AND SECTION 504 COMPLIANCE REQUIREMENTS

A. Purpose. This Chapter details guidelines for the implementation of Title VI of the Civil Rights Act of 1964, 42 USC 2000d, *et seq.*; Executive Order 11764; and Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, as amended. The contents of this Chapter incorporate Department of the Interior regulations published in 43 CFR 17 subparts A and B.

The objectives of the respective Acts are as follows:

1. Title VI of the Civil Rights Act of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination under any program or activity receiving Federal financial assistance from the Department of the Interior. (Also see Chapter 5, item B.4.)

2. Section 504 of the Rehabilitation Act of 1973 is designed to eliminate discrimination on the basis of handicap in any program or activity receiving Federal financial assistance. (Also see Chapter 5, item B.23.)

B. Covered Employment.

1. A grantee or a subgrantee's employment practices shall be subject to the nondiscrimination provisions of Title VI and Section 504 as provided in Compliance Reviews of Grantees and Subgrantees by the Department of the Interior's Office for Equal Opportunity, Section B.5b, below. With regard to Title VI, the Department is only concerned with discriminatory employment and practices that directly affect services to the public under a federally assisted program to which these guidelines apply. The employment practices of construction contractors hired by grantees and their subgrantees will not be subjected to the provisions, unless specifically provided. (However, see Chapter 19, Equal Employment Opportunity Contract Compliance.) With respect to Section 504, the employment requirement for the handicapped is extended to provide that recipients must not discriminate in employment against handicapped persons. Reasonable accommodations must be provided for handicapped persons who are qualified job applicants or incumbent employees. This requirement may be waived by the Office for Equal Opportunity in cases where accommodation is proven to cause an undue hardship on the operation of recipient programs as a result of, but not limited to, the following (see Section C.9 et seq.):

   a. Size of recipient program with respect to number of employees, number and type of facilities, and size of budget;

   b. The type of the recipient's operations, including the composition and structure of the recipient's workforce; and

   c. The nature and cost of the accommodation needed.

Enforcement of Title VI and Section 504 with respect to covered employment practices shall not be superseded by State or local merit systems relating to such employment practices.

C. Compliance Responsibilities.

1. Office for Equal Opportunity Responsibility. The Office for Equal Opportunity (OEO), as authorized by the Secretary of the Interior, shall assure that no person participating in a program funded in whole or in part by the National Park Service is subjected to discrimination on the basis of race, color, national origin, or handicap. This shall be accomplished through continued policy direction, oversight, compliance reviews, and complaint investigations, as well as technical assistance and program evaluation.

2. National Park Service Responsibility. The NPS, as grantor of Historic Preservation Fund (HPF) monies, has direct responsibility for assuring that HPF grantees and subgrantees are in compliance with the provisions of Title VI and Section 504. For purposes of HPF grants, the NPS shall execute its responsibility through:

   a. providing guidance to grantees in the use of an open project selection process to allocate NPS grant assistance among applicants;

   b. notifying the Office for Equal Opportunity of any inconsistencies with Title VI and Section 504 detected in any grantee's program by NPS personnel; and

   c. cooperating with the Office for Equal Opportunity in seeking a satisfactory resolution of any inconsistencies found.

3. Grantee Responsibility. The States and the National Trust for Historic Preservation, as grantees, are responsible for giving reasonable assurance that the applicant and all subgrantees will comply with the requirements imposed by Title VI and Section 504, including methods of administration which give reasonable assurance that any noncompliance will be corrected. This shall be accomplished through:

   a. establishing an open project selection process according to the standards of NPS (not applicable to the National Trust);

   b. providing the State Clearinghouse the opportunity to comment upon the civil rights aspects of applications submitted according to the Executive Order 12372 review process (see Chapter 4, Section C.3). The National Trust must notify the State Clearinghouse of awards made, where applicable;

c. notifying the Office for Equal Opportunity of any inconsistencies with Title VI and Section 504 detected in any subgrantee's program by grantee personnel;

d. cooperating with the Office for Equal Opportunity toward seeking a satisfactory resolution of any inconsistencies found, including efforts toward seeking voluntary compliance; and

e. assuring that each subgrantee/applicant is provided a copy of these guidelines.

4. Coordination of Responsibility. The Department of the Interior's Office for Equal Opportunity will periodically conduct compliance reviews of the grantee's administration of the HPF program, including reviews of the compliance of subgrantee programs with Title VI and Section 504. The Office for Equal Opportunity and NPS will provide grantees, subgrantees, and applicants for grant assistance with such technical assistance as necessary to reasonably assure compliance with both Title VI and Section 504. Federal, State, and local officials are expected to cooperate fully toward securing voluntary compliance where deficiencies in programs or projects may be found. (See Section E for review procedures.)

5. Compliance Reviews of Grantees and Subgrantees by the Office for Equal Opportunity. Grantee and subgrantee compliance shall be based on the following:

a. Whether the grantee's and its subgrantee's overall HPF program evidences compliance with the provisions of Title VI and Section 504; specifically, their consideration of the role of minorities and handicapped individuals in the history, archaeology, architecture, and cultural development of the State.

b. Whether grantees and subgrantees are making available to the public Title VI and Section 504 nondiscrimination information and by what means (i.e., through posters, brochures and program literature). Where necessary, (1) whether bilingual information is made available for non-English speaking populations which comprise 10 percent or more of the total population and (2) whether program information is available for the vision or hearing impaired and any other disability that impairs the communication process. The nondiscrimination language should read as follows:

> This program receives Federal financial assistance for identification and protection of historic properties. Under Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973, the U.S. Department of the Interior prohibits discrimination on the basis of race, color, national origin, or

handicap in its federally assisted programs. If you believe you have been discriminated against in any program, activity, or facility as described above, or if you desire further information, please write to:

Office for Equal Opportunity
U.S. Department of the Interior
Washington, D.C. 20240

c. Whether Title VI and Section 504 complaints received by the grantee are forwarded to the Office for Equal Opportunity within 10 days;

d. The frequency and type of all compliance assistance provided by the grantee for its subgrantees;

e. Whether the grantee is adequately providing Title VI and Section 504 nondiscrimination information to its subgrantees and by what means (i.e., through posters, brochures, and program literature).

f. Whether Title VI and Section 504 compliance responsibilities have been designated to qualified grantee staff personnel and whether such responsibilities are being effectively executed (does not apply to subgrantees);

g. Minority and handicap participation on the grantee's State Review Board and subgrantee's appointed planning and advisory bodies associated with the program (does not apply to National Trust);

h. Inclusion of properties nominated to the National Register and on the statewide survey that represent minority group contributions to the history and culture of the State (does not apply to subgrantees);

i. Whether potential subgrantees have submitted applications to the grantee for acquisition and development of minority related historical/cultural projects or other available grant-assisted projects at a level appropriate to minority contributions to the history/culture of the geographical area served by the grantee;

j. Evidence of continuing cooperation and liaison with private individuals and organizations, including minority and handicapped individuals and organizations, representing these groups in grantee and subgrantee programs;

k. Adherence to Title VI complaint procedures as written in Part D of these guidelines, including the public notification provisions in grantee and subgrantee programs;

l. The imposition of nondiscriminatory admission fees for entrance to HPF grant-assisted properties, where such fees are used in grantee and subgrantee programs;

m. Whether minority and handicapped persons have full accessibility to grantee and subgrantee activities and services (e.g., workshops, exhibitions, tours, etc.). With regard to the handicapped, specific responsibilities include but are not limited to:

    1) Making physical alterations which enable qualified handicapped persons to have access to otherwise inaccessible areas or features of historic properties (see Chapter 5, item B.23);

    2) Using audio-visual materials and devices to depict otherwise inaccessible areas or features of historic properties;

    3) Assigning persons to guide qualified handicapped persons into or through otherwise inaccessible portions of historic properties;

    4) Adopting other innovative methods to achieve program accessibility.

n. Whether qualified handicapped persons, on the basis of handicap, are being treated in a nondiscriminatory fashion in employment under any programs or activities of the grantee and subgrantee through:

    1) Recruitment, advertising, and the processing of applications for employment;

    2) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff and rehiring;

    3) Rates of pay or any other form of compensation and changes in compensation;

    4) Job assignments, job classifications, organizational structures, position description, lines of progression, and seniority lists;

    5) Leave of absence, sick leave, or any other leave;

    6) Fringe benefits available by virtue of employment, whether or not administered by the recipient;

    7) Selection and financial support for training including apprenticeship, professional meetings, and selection for leave of absence to pursue training;

8) Employer-sponsored activities, including social or recreation programs;

9) Any other term, condition, or privilege of employment such as granting awards, recognition and/or monetary recompense for money-saving suggestions or superior performance;

10) Providing reasonable accommodations to known physical or mental limitations of an otherwise qualified handicapped applicant or employee except in cases outlined in Section B.1 above, Covered Employment;

11) Employment test, pre-employment inquiries, interviews, or other selection criterion; and

12) Provision of nondiscrimination language in employment information materials as discussed in Subsection C.5.b, above.

o. Whether grantees have obtained assurances from nonprofit organizations who are applicants or subgrantees of federally assisted programs or activities, in accordance with 43 CFR 17, which provides that the overall program will be operated in compliance with Title VI. Also, Section 504 compliance is mandatory. Covenants associated with transactions, including transfer of real property or interest in the property, must also contain language which assures nondiscrimination (see Section C.5.b above).

6. Section 504 Self-Evaluation. A recipient is required to evaluate, modify, and take necessary remedial steps towards ensuring that its policies, practices, and facilities are in compliance with Section 504. This self-evaluation process should be conducted with the assistance of interested persons, including handicapped persons or organizations representing disabled persons. The self-evaluation must cover all areas outlined in Compliance Reviews of Grantees and Subgrantees by the Office for Equal Opportunity, Section B.5, above.

A recipient that employs 15 or more persons shall, for at least three years following completion of the evaluation, maintain on file all records pertaining to the evaluation as outlined in 43 CFR Subpart B 17.205. Such records must be made available for public inspection and to the Director, Office for Equal Opportunity, upon request.

7. Designation of Section 504 Coordinator. A recipient should designate at least one person to coordinate efforts to comply with Section 504 requirements. In accomplishing this, recipients are not required to hire a new employee. A staff person may be designated to handle this responsibility.

8. Waiver of Accessibility Requirements. Where a primary purpose of Federal assistance is to preserve historic properties, and alterations are the only feasible means of providing access but would cause a substantial impairment of significant historic features, a modification or waiver of the access standard may be sought. The Department believes that the program accessibility standards are flexible enough to make programs accessible without impairing the integrity of historic buildings. However, whenever such problems arise, modifications or waivers may be necessary.

9. Procedures for Requesting a Waiver. Where program accessibility cannot be achieved without causing a substantial impairment of significant historic features, the Office for Equal Opportunity may grant a waiver of the program accessibility requirement. All requests must be in writing and must be signed by an authorized official. The request should be submitted to the Director of the Office for Equal Opportunity.

   In determining whether program accessibility can be achieved without causing a substantial impairment, the written request should have a complete description of the property identifying the following factors:

   a. Significance of the property; identifying reason(s) the property has been listed on the National Register of Historic Places;

   b. Scale of property, (i.e., its physical description), with an explanation of its ability to absorb alterations;

   c. Use of the property, whether primarily for public or private purposes;

   d. An analysis of the historic and/or architectural features of the property that will be affected by accessibility requirements with an explanation of why other program accessibility alternatives are not possible;

   e. Cost of alterations in comparison to the increased inaccessibility; and,

   All additional information or records which might show just cause for a waiver may also be provided. The Secretary shall periodically review any waiver granted, and may withdraw it if technological advances or other changes so warrant.

10. Procedures for Granting a Waiver. After the Office for Equal Opportunity receives all the necessary information, the Office for Equal Opportunity, in consultation with NPS will review the records and determine whether the waiver request is to be approved or not. Once a decision regarding the waiver request has been made, the

recipient shall be notified in writing by the Office for Equal Opportunity of its determination no later than 30 days from the completion date of the waiver review.

11. Transition Plan Responsibilities. Whenever structural changes to facilities are necessary to meet program accessibility requirements, recipients shall develop, within 1 year of cited accessibility violation, a transition plan setting forth the steps necessary to complete such changes. In the case of new recipients, a transition plan must be developed within 1 year of receipt of the financial assistance.

    Transition plans should be developed with the assistance of interested persons, including handicapped persons or organizations representing handicapped persons and made available for public inspection. The plan should contain the following information:

    a. Identification of physical obstacles in the recipient's facilities that limit the accessibility of its program or activity to handicapped persons;

    b. Detailed description of the methods that will be used to make the facilities accessible and usable;

    c. Time table for achieving full program accessibility. If the time period will exceed the specified required time frame of 1 year, an identification of steps taken during each year to achieve accessibility is required; and

    d. Identification of the person responsible for implementation of the plan, name, address and telephone number.

D. Title VI and Section 504 Complaint Procedures. This section prescribes the procedures with respect to the prompt processing and disposition of Title VI and Section 504 complaints.

1. Public Notification of Right to File a Complaint. Grantees shall inform the public of their right to file a complaint. Where grantees extend HPF assistance to subgrantees, the grantees shall also be responsible for ensuring that this standard is met.

    a. Grantees shall also include information on Title VI and Section 504 requirements, complaint procedures, and the rights of beneficiaries in grant-related handbooks, manuals, pamphlets, and other materials which are ordinarily distributed to the public. In instances where handicapped persons have visual, hearing or other disabilities that impair their communication process, accommodations must be made to meet their needs, such as audio-visual aids and interpreters.

    b. Posters explaining the nondiscrimination provision of Title VI and Section 504 as they apply to the HPF program shall be displayed in at least one conspicuous place in grantee administrative offices. Posters should note the availability of additional Title VI and Section 504 information and explain briefly the procedures for filing complaints.

2. Who may file. Any person, or specific class of persons, who believes that he or she has been subjected to discrimination as prohibited by Title VI and/or Section 504, may personally, or by representative, file a complaint.

3. How, When, and Where to File. All complaints filed under Title VI and Section 504 must be in writing, and must be signed by the complainant and/or the complainant's representative. In the event that a complaint is made in other than written form, the official receiving the complaint must instruct the complainant to submit the complaint in writing to the Office for Equal Opportunity, Department of the Interior for prompt processing. The complaint should contain: The name, address, and telephone number of the complainant; the name and address of the alleged discriminating official, grantee or subgrantee; the basis of the complaint, and the date of the alleged discrimination.

   Complaints must be filed within 180 days from the date of the alleged discrimination. The time limit for filing may be extended only by the Director of the Office for Equal Opportunity. Complaints should be filed directly with the Office for Equal Opportunity, U.S. Department of the Interior, Washington, D.C. 20240. In the event that complaints are received by NPS and/or grantees, such complaints shall be forwarded to the Office for Equal Opportunity within 10 days of receipt.

4. Complaint Processing.

   a. Acknowledgement of Complaint. The Office for Equal Opportunity shall acknowledge in writing the receipt of every complaint within 10 days. Acknowledgement letters shall be sent to the complainant, NPS, and the grantee.

   b. Complaint Log. Grantees shall maintain a log of any Title VI and Section 504 complaint received. Moreover, the Office for Equal Opportunity shall maintain a log of all such complaints received for processing. The purpose of the complaint log is to provide essential information and data regarding each complaint being processed by the Department. Each log must contain a case number, the complainant's name, address, and telephone number. Each log must also include a description of the complaint; the date the complaint was filed and investigation completed; the dispositon of the case; and all other information pertinent to the complaint.

   c. Routing Responsibilities. When NPS, any grantee or subgrantee, receives a complaint, the office in receipt must log in the complaint, note the date of receipt on the complaint and maintain a confidential copy for its records. The original complaint document must be forwarded to the Office for Equal Opportunity within 10 days of receipt pursuant to Section D.3 of this Chapter. The Office for Equal Opportunity shall acknowledge its receipt and notify the grantee, as well as NPS.

The grantee is encouraged to inquire into the facts of any complaints of an administrative nature brought to its attention. However, if any part of the complaint is based upon alleged Title VI and Section 504 discrimination, the Office for Equal Opportunity must be notified as provided for above.

d. Determination of Jurisdiction. Upon receipt of a complaint by the Department, the Office for Equal Opportunity shall determine whether the complaint comes within the purview of Title VI and Section 504. When the Department lacks jurisdiction over a complaint, the Director, Office for Equal Opportunity, shall refer the complaint to the appropriate State or Federal agency that has responsibility for addressing the complaint.

5. Complaint Investigations.

a. Scope. Investigations shall be confined to issues and facts relevant to allegations in the complaint.

b. Confidentiality. Complainants shall be offered a pledge of confidentiality as to their identity. This offer, if accepted, shall be binding on the investigator. Complainants shall be interviewed at all times in places which will not create the risk of compromising confidentiality. Except where essential to the investigation, the investigator shall not reveal the identity of the complainant to the respondent or to any third party. If the investigator determines the necessity to reveal the complainant's identity, the complainant's written permission to do so must be secured.

c. Conduct of Investigation. Upon determination of jurisdiction by the Department, the Office for Equal Opportunity shall promptly initiate an investigation of the matter.

d. Investigation Reports. In all instances where an investigation has been conducted, an investigation report shall be prepared, with findings and recommendations. The complainant and the agency against whom the complaint is made shall be notified in writing of the disposition.

e. Investigation by Primary Recipients. The Director, Office for Equal Opportunity, within 10 working days of the receipt of a complaint, may authorize a grantee to investigate the complaint and make findings and recommendations subject to approval by the Office for Equal Opportunity. Upon delegation of authority by te Director, Office for Equal Opportunity, a grantee may investigate complaints filed against subgrantees. The investigative report will be provided to the Office for Equal Opportunity within 30 days of authorization to investigate. The grantee may not investigate any complaint in which it, or any of its officers or employees are implicated. If at any time prior to its completion, it is determined that investigation of a complaint has been improperly conducted, the Director, Office for Equal Opportunity, may withdraw the grantee's authority to investigate. If the complainant is dissatisfied with the findings of the investigation, the complainant may appeal the findings to the Office for Equal Opportunity for its decision within 30 days of the complainant's receipt of the investigative report.

f. If No Conditions of Noncompliance are Found. Where the Director or designee determines that review and investigation of findings do not support an allegation of discrimination, the complaint shall be administratively closed. Within 10 working days of the closing date, the complainant will be notified through certified mail of the decision and given the reason(s) for the decision.

E. Compliance Review Procedures. This section prescribes the types of compliance reviews which will be conducted periodically to ensure that the HPF programs are operated in compliance with Title VI and Section 504. Compliance reviews will cover grantee and subgrantee operations pursuant to the criteria outlined in Compliance Reviews of Grantees and Subgrantees by the Office for Equal Opportunity, Section C.5, above.

1. Compliance Review Responsibilities. The Office for Equal Opportunity shall periodically conduct routine onsite Title VI and Section 504 compliance reviews of NPS grantees and subgrantees. Moreover, grantees shall review the operations of its subgrantees via program reviews.

   The Office for Equal Opportunity shall issue a report on its findings and recommendations to the reviewed entity within a timely period after the onsite review is completed to assist the reviewed entity in voluntarily complying with Title VI and Section 504. However, remedial action must be initiated by the grantee or subgrantee to correct the deficiency. Where conditions of noncompliance have been found, such conditions must be resolved by the grantee or subgrantee within a reasonable period of time. A copy of the report and related correspondence shall be kept on record by the office performing the review for a period of 3 years. This information shall be made available to the Office for Equal Opportunity upon request.

2. Determination of Compliance. All determinations of compliance with Title VI and Section 504 shall be made by the Office for Equal Opportunity.

3. Selection Criteria.

   a. Post-Award Reviews. In the selection of grantees and subgrantees for post-award review, the Office for Equal Opportunity shall base selections on such factors as:

      1) Available compliance information collected from previous reviews including pre-award reports from other agencies;

      2) The frequency of past compliance reviews conducted of the grantees;

      3) Demographic pattern of the geographical area served by the grantee;

      4) Title VI and Section 504 complaints of alleged discrimination;

      5) The size of the federally assisted program or activity; and

      6) The amount and type of Federal assistance to the grantee.

4. If Noncompliance is Found.

   a. Voluntary Compliance Defined. Voluntary Compliance means willingness to correct conditions of noncompliance identified by complaint investigations or compliance reviews. Departmental regulations require the resolution of an apparent condition of noncompliance by informal means whenever possible.

   b. Procedures for Effectuating Voluntary Compliance.

      1) In every case where a complaint investigation or compliance review results in a finding of noncompliance, the Director, Office for Equal Opportunity, shall notify the grantee through certified mail of the apparent noncompliance, offer recommendations to correct the conditions of noncompliance, and offer a reasonable time to willingly comply.

      2) The Office for Equal Opportunity shall record the date the grantee received notice, and shall note and record the last day afforded the grantee for voluntary compliance before initiating the administrative sanctions described below.

      3) The grantee may request a meeting for the purpose of discussing the problem areas or requirement for compliance. The principal investigator will accompany the Director or his designated representative to the meeting for the above stated purpose.

4) The Director, Office for Equal Opportunity, or designee shall approve the grantee's voluntary compliance plans, methods, procedures, and proposed actions if such approval will result in compliance with Title VI and Section 504.

c. Sanctions Available to the Department. When an applicant or a grantee is found to be in noncompliance with Title VI and/or Section 504, and compliance cannot be achieved by voluntary means, Title VI and Section 504 provide several enforcement alternatives. If discrimination based on race, color, national origin, handicap or any other technical violation of Title VI and Section 504 is found in an applicant's program, the Office for Equal Opportunity can recommend temporary deferral of Federal funds to the agency awarding the grant until full compliance has been satisfactorily established. If the grant has been made, the Office for Equal Opportunity may initiate administrative proceedings for the termination of current and future grant assistance. Alternatively, the Office for Equal Opportunity may enforce Title VI and Section 504 by "any other means authorized by law." Although not explicitly stated by Title VI or Section 504, such other means include referral to the U.S. Department of Justice for appropriate judicial enforcement. No order suspending, terminating, or refusing to grant assistance to a recipient will become effective until the Office for Equal Opportunity has:

1) Advised the grantee of its failure to comply and determined that compliance cannot be secured by voluntary means.

2) Made an express finding on the record after opportunity for hearing, of a failure by the applicant or grantee to comply with a Title VI and Section 504 requirement.

3) Submitted a full written report of the circumstances and the grounds for such action to the Secretary of the Interior.

4) Obtained approval of the action to be taken from the Secretary of the Interior.

5) Ensured that the Secretary has filed a full written report with the the House and Senate Committees having the legislative jurisdiction over the program involved.

## ENVIRONMENTAL COMPLIANCE REQUIREMENTS

A. National Environmental Policy Act (NEPA). This Chapter details the Department of the Interior requirements concerning compliance with both the National Environmental Policy Act and related legislation, regulations and Executive Orders, as they apply to the Historic Preservation Fund grant program. Questions involving this Chapter are to be referred to the NPS Environmental Compliance Division, Associate Director, Planning and Development, Washington, D.C., 202-343-2163; or to NPS Regional Environmental Coordinators.

1. Policy. The national policy concerning the assessment of the environmental impact of Federal and federally funded actions is contained in the National Environmental Policy Act of 1969 (Public Law 91-190, as amended; 82 Stat. 852; 42 U.S.C. 4321-4347).

   All NPS Historic Preservation Fund grant actions are subject to the provisions of NEPA and the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA (CEQ Regulations) (40 CFR 1500-1508). National Park Service policy and procedures for implementing NEPA and the CEQ Regulations appear in Guideline NPS-12. Department of the Interior policy and procedures for implementing NEPA and the CEQ Regulations are incorporated by reference, and appear in NPS-12.

   Certain categories of proposed actions may be excluded from the NEPA process. Categorical exclusions approved for NPS appear in Section A.4. below. All other proposed actions require the preparation of either an Environment Assessment (EA) or an Environmental Impact Statement (EIS).

2. NPS responsibility. NPS is responsible for determining and advising the State, Territory or the National Trust for Historic Preservation whether a proposed grant action is either categorically excluded or requires an EA or EIS. NPS is also responsible for ensuring the adequacy of any required EA or EIS.

   Projects involving floodplains and wetlands must comply with the requirements of 44 CFR 3642; Executive Order 11988, Floodplain Management; Executive Order 11990, Protection of Wetlands; Department of the Interior Manual (520 DM) and NPS Floodplain/Wetland Protection Guidelines. This compliance requires environmental information in addition to that required by NEPA. Refer to Section B below.

3. Grantee responsibility. With the HPF grant Project Notification, the applicant must submit appropriate environmental documentation to NPS (either an Environmental Certification, see section A.5 below, or an Environmental Assessment, see section A.8 below). All grantees (State Historic Preservation Officers and the National Trust for Historic Preservation) will be required to submit necessary information as an environmental assessment. If appropriate, grantees with Statewide jurisdiction that qualify under NEPA section 102(2)(D)

may be required to submit an EIS. The scope, content, and objectivity of the document shall comply with NEPA, CEQ Regulations, and the Departmental Manual. (See Section A.8. below.)

A State that has environmental laws equivalent to or more stringent than NEPA may submit environmental documentation meeting both State and Federal requirements.

4. Categorical exclusions. Authorized categorical exclusions are those referred to in 516 DM 6 Appendix 7. The actions shown qualify for categorical exclusion unless NPS determines that there is cause for exception under 516 DM 2.3A(3), (see Section A.6 below for the exceptions). The exclusions found in Section A.6.f. and A.6.g. are particularly relevant to HPF grantees. (However, note that the list of categorical exclusions is not necessarily a list of activities eligible for HPF grant assistance.)

   The following exclusions for the Department of the Interior are provided in 516 DM 2, Appendix 1 (also see additional categorical exclusions authorized for NPS in 516 DM 6, Appendix 7, and listed below in Section A.4.b-g, of this Chapter):

   a. Departmental Categorical Exclusions. These are general in nature and include the following:

      1) Personnel actions and investigations and personnel services contracts;

      2) Internal organizational changes and facility and office reductions and closings;

      3) Routine financial transactions, including such things as salaries and expenses, procurement contracts, guarantees, financial assistance, income transfers, audits, fees, bonds and royalties;

      4) Law enforcement and legal transactions, including such things as arrests, investigations, patents, claims, legal opinions, and judicial activities including their initiation, processing, settlement, appeal or compliance;

      5) Regulatory and enforcement actions, including inspections, assessments, administrative hearings, and decisions; when the regulations themselves or the instruments of regulations in 516 DM 2, Appendix 1 (also see additional categorical exclusions authorized for NPS in 516 DM 6, Appendix 7, and listed below in Section A.4.b-g, of this Chapter):

      6) Non-destructive data collection, inventory (including field, aerial and satellite surveying and mapping), study, research and monitoring activities;

7) Routine and continuing government business, including such things as supervision, administration, operations, maintenance, and replacement activities having limited context and intensity; e.g. limited size and magnitude or short-term effects;

8) Management, formulation, allocation, transfer and reprogramming of the Department's budget at all levels. (This does not exclude the preparation of environmental documents for proposals included in the budget when otherwise required.);

9) Legislative proposals of an administrative or technical nature, including such things as changes in authorizations for appropriations, and minor boundary changes and transactions; or having primarily economic, social, individual or institutional effects; and comments and reports on referrals of legislative proposals;

10) Policies, directives, regulations and guidelines of an administrative, financial, legal, technical or procedural nature; or the environmental effects of which are too broad, speculative or conjectural to lend themselves to meaningful analysis and will be subject later to the NEPA process, either collectively or case-by-case; and

11) Activities which are educational, informational, advisory or consultative to other agencies, public and private entities, visitors, individuals or the general public.

The following are NPS-specific Categorical Exclusions:

b. Actions related to General Administration:

1) Changes or amendments to an approved action, when such changes would cause no or only minimal environmental impact;

2) Land and boundary surveys;

3) Minor boundary changes;

4) Reissuance/renewal of permits, rights-of-way or easements not involving new environmental impacts;

5) Conversion of existing permits to rights-of-way, when such conversions do not continue or initiate unsatisfactory environmental conditions;

6) Issuances, extensions, renewals, reissuances or minor modifications of concession contracts or permits not entailing new construction;

7) Commercial use licenses involving no construction;

8) Leasing of historic properties in accordance with 36 CFR 18 and NPS-38;

9) Preparation and issuance of publications;

10) Modifications or revisions to existing regulations, or the promulgation of new regulations for NPS-administered areas, provided the modifications, revisions or new regulations do not:

    a) Increase public use to the extent of compromising the nature and character of the area or causing physical damage to it;

    b) Introduce noncompatible uses which might compromise the nature and characteristics of the area, or cause physical damage to it;

    c) Conflict with adjacent ownerships or land uses; or

    d) Cause a nuisance to adjacent owners or occupants.

11) At the direction of the NPS responsible official, actions where NPS has concurrence or coapproval with another bureau and the action is a categorical exclusion for that bureau.

c. Plans, Studies and Reports

1) Changes or amendments to an approved plan, when such changes would cause no or only minimal environmental impact;

2) Cultural resources maintenance guides, collection management plans and historic furnishings reports;

3) Interpretive plans (interpretive prospectuses, audio-visual plans, museum exhibit plans, wayside exhibit plans);

4) Plans, including priorities, justifications and strategies, for nonmanipulative research, monitoring, inventorying and information gathering;

5) Statements for management, outlines of planning requirements and task directives for plans and studies;

6) Technical assistance to other Federal, State and local agencies or the general public;

7) Routine reports required by law or regulation;

8) Authorization, funding or approval for the preparation of Statewide Comprehensive Outdoor Recreation Plans;

9) Adoption or approval of surveys, studies, reports, plans and similar documents which will result in recommendations or proposed actions which would cause no or only minimal environmental impact;

10) Preparation of internal reports, plans, studies and other documents containing recommendations for action which NPS develops preliminary to the process of preparing a specific Service proposal or set of alternatives for decision;

11) Land protection plans which propose no significant change to existing land or visitor use; and

12) Documents which interpret existing mineral management regulations and policies, and do not recomend action.

d. Actions Related to Development

1) Land acquisition within established park boundaries;

2) Land exchanges which will not lead to significant changes in the use of land;

3) Routine maintenance and repairs to non-historic structures, facilities, utilities, grounds and trails;

4) Routine maintenance and repairs to cultural resource sites, structures, utilities and grounds under an approved Historic Structures Preservation Guide or Cyclic Maintenance Guide; or if the action would not adversely affect the cultural resource;

5) Installation of signs, displays, kiosks, etc.;

6) Installation of navigation aids;

7) Establishment of mass transit systems not involving construction, experimental testing of mass transit systems, and changes in operation of existing systems (e.g., routes and schedule changes);

8) Replacement in kind of minor structures and facilities with little or no change in location, capacity or appearance;

9) Repair, resurfacing, striping, installation of traffic control devices, repair/replacement of guardrails, etc., on existing roads;

10) Sanitary facilities operation;

11) Installation of wells, comfort stations and pit toilets in areas of existing use and in developed areas;

12) Minor trail relocation, development of compatible trail networks on logging roads or other established routes, and trail maintenance and repair;

13) Upgrading or adding new overhead utility facilities to existing poles, or replacement poles which do not change existing pole line configurations;

14) Issuance of rights-of-way for overhead utility lines to an individual building or well from an existing line where installation will not result in significant visual intrusion and will involve no clearance of vegetation other than for placement of poles;

15) Issuance of rights-of-way for minor overhead utility lines not involving placement of poles or towers and not involving vegetation management or significant visual intrusion in an NPS-administered area;

16) Installation of underground utilities in previously disturbed areas having stable soils, or in existing overhead utility right-of-way;

17) Construction of minor structures, including small improved parking lots, in previously disturbed or developed areas;

18) Construction or rehabilitation in previously disturbed or developed areas, required to meet health or safety regulations, or to meet requirements for making facilities accessible to the handicapped;

19) Landscaping and landscape manipulation in previously disturbed or developed areas; and

20) Construction of fencing enclosures or boundary fencing posing no effect on wildlife migrations.

e. Actions Related to Visitor Use:

1) Carrying capacity analyses;

2) Minor changes in amounts or types of visitor use for the purpose of ensuring visitor safety or resource protection in accordance with existing regulations;

3) Changes in interpretive and environmental educational programs;

4) Minor changes in programs and regulations pertaining to visitor activities;

5) Issuance of permits for demonstrations, gatherings, concerts, arts and crafts shows, etc., entailing only short-term or readily mitigable environmental effects; and

6) Designation of trailside camping zones with no or minimal improvements.

f. Actions Related to Resource Management and Protection:

1) Archeological surveys and permits, involving only surface collection or small-scale test excavations;

2) Day-to-day resource management and research activities;

3) Designation of environmental study areas and research natural areas;

4) Stabilization by planting native plant species in disturbed areas;

5) Issuance of individual hunting and/or fishing licenses in accordance with State or Federal regulations;

6) Restoration of noncontroversial native species into suitable habitats within their historic range, and elimination of exotic species;

7) Removal of park resident individuals of non-threatened/endangered species which pose a danger to visitors, threaten park resources or become a nuisance in areas surrounding a park, when such removal is included in an approved resource management plan;

8) Removal of non-historic materials and structures in order to restore natural conditions; and

9) Development of standards for, and identification, nomination, certification and determination of eligibility of properties for listing in the National Register of Historic Places and the National Historic Landmark and National Natural Landmark Programs.

g. Actions Related to Grant Programs:

1) Proposed actions essentially the same as those listed in Sections A.4.b-f, above;

2) Grants for acquisition of areas which will continue in the same or lower density use with no additional disturbance to the natural setting;

3) Grants for replacement or renovation of facilities at their same location without altering the kind and amount of recreational, historical or cultural resources of the area; or the integrity of the existing setting;

4) Grants for construction of facilities on lands acquired under a previous NPS or other Federal grant provided that

the development is in accord with plans submitted with the acquisition grant;

5) Grants for the construction of new facilities within an existing park or recreation area provided that the facilities will not:

   a) Conflict with adjacent ownerships or land use, or cause a nuisance to adjacent owners or occupants, e.g., extend use beyond daylight hours;

   b) Introduce motorized recreation vehicles;

   c) Introduce active recreation pursuits into a passive recreation area;

   d) Increase public use or introduce noncompatible uses to the extent of compromising the nature and character of the property, or causing physical damage to it; or

   e) Add or alter access to the park from the surrounding area.

6) Grants for the restoration, rehabilitation, stabilization, preservation and reconstruction (or the authorization thereof) of properties listed on or eligible for listing on the National Register of Historic Places, at their same location and provided that such actions:

   a) Will not alter the integrity of the setting;

   b) Will not increase public use of the area to the extent of compromising the nature and character of the property; and

   c) Will not cause a nuisance to adjacent property owners or occupants.

(Note: Only properties already listed on the National Register of Historic Places are eligible for HPF grant assistance for acquisition or development work; see Chapter 6.)

5. Certification. When a proposed project appears to qualify as one of the categorical exclusions listed in Section A.4 above, and does not involve one or more of the exceptions in 516 DM2.3(a)(3) listed in Section A.6 below, the grantee shall indicate on the Environmental Certification Form the categorical exclusion into which the project falls. If NPS concurs, the Certification will be signed by the grant approving official, and maintained as part of the grant documentation. (See form at end of this chapter.) If the project does not qualify for an exclusion, an Environmental Assessment must be prepared (see Section A.8).

6. Exceptions. The following exceptions apply to individual actions within categorical exclusions. Environmental Assessments (EAs) must be prepared for actions which would otherwise fall under categorical exclusions, but which may:

   a. Have significant adverse effects on public health or safety;

   b. Have adverse effects on such unique geographic characteristics as historic or cultural resources, park, recreation, or refuge lands, wilderness areas, wild or scenic rivers, sole or principal drinking water aquifers, prime farmlands, wetlands, floodplains, or ecologically significant or critical areas, including those listed on the Department's National Register of Natural Landmarks;

   c. Have highly controversial environmental effects;

   d. Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks;

   e. Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects;

   f. Be directly related to other actions with individually insignificant but cumulatively significant environmental effects;

   g. Have adverse effects on properties listed or eligible for listing on the National Register of Historic Places;

   h. Have adverse effects on a species listed or proposed to be listed on the List of Endangered or Threatened Species, or have adverse effects on designated Critical Habitat for these species;

   i. Require compliance with Executive Order 11988 (Floodplain Management), Executive Order 11990 (Protection of Wetlands), or the Fish and Wildlife Coordination Act; or

   j. Threaten to violate a Federal, State, local or tribal law or requirement imposed for the protection of the environment.

7. Special cases. NPS may find that some actions which normally qualify for categorical exclusion merit special consideration. In such cases NPS will require submission of an EA, or if the grantee qualifies under NEPA section 102(2)(D), an EIS.

8. Environmental assessments.

   a. An EA should cover the points listed in subparagraph 8b. below in sufficient detail to resolve the test of "major and significant" (see CEQ Regulations, 40 CFR 1508.18 and 1508.27) and provide a basis for deciding whether to prepare an EIS on the project. Such assessments generally need be no more than two or three pages in length, except when complex projects are involved. The grantee or subgrantee may not proceed with the proposed action until NPS has reviewed the EA and issued a Finding of No Significant Impact (FONSI; see Section A.9 below), or notified the SHPO that an EIS must be prepared by NPS. The EA must be submitted with the Project Notification (see Chapter 6, Exhibit 6-D).

An EA should not be prepared if the need for an EIS is self-evident; go directly to the EIS.

b. Format and content. Pertinent information of sufficient scope and depth must be provided in an EA to allow NPS to accurately ascertain the impact of the project and to determine whether an EIS is needed. Whenever possible, an environmental impact should be quantified. In all cases the level of activities involved should be given--number of trees to be removed, cubic yards of debris to be removed, cubic yards of fill to be required, etc. For projects with property rights outstanding, the environmental information must also explain how the outstanding rights are to be dealt with and how the State plans to assure that the environment will not be affected significantly. An EA will cover the following four points at a minimum:

1) The proposed action. Include a description of the proposed action, a statement regarding the need for it, a description of what the action is designed to accomplish, location of the project, its scope, the level of impact-causing activities associated with the project, when the action is to take place, and, if applicable, its relation to other Federal, State, or local projects and proposals. Cite other Federal actions (i.e., 404 Permit, etc.). Include a map.

2) Alternatives to the proposed action. This section will include a brief discussion of alternatives as required by NEPA section 102(2)(E), which states:

Study, develop, and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources;

The environmental impacts of the proposal and the alternatives should be presented in comparative form and should define the issues, pros, and cons of a reasonable range of alternatives, and provide a clear basis for choice between them by NPS and the public.

3) Environmental impacts of proposed action. Succinctly describe those environmental elements which would be

affected. Discuss anticipated impacts on the following elements and any means to mitigate adverse environmental impacts:

--land use (project site and surrounding area)
--fish and wildlife
--vegetation
--geology and soils
--mineral resources
--air and water quality
--water resources/hydrology
--historic/archeological resources
--transportation/access
--consumption of energy resources
--socio-economic effects

"Impacts" are defined as causing direct or indirect changes in the existing environment, whether beneficial or adverse, which are anticipated as a result of the proposed action or related future actions. To the extent appropriate, the document will discuss impacts of the action, including environmental damage which could be caused by users, upon physical and biological environment as well as upon cultural, aesthetic, and socio-economic conditions. Elements of impacts which are unknown or only partially understood should be indicated. Any off-site impacts, such as increased traffic on neighborhood roads or increased noise levels in surrounding areas, should be described.

4) A listing of agencies and persons consulted.

c. Public notice. Public notice should be provided in accordance with 40 CFR 1506.6 and, where appropriate, the public involved in the environmental assessment process.

d. Adoption. In accordance with 40 CFR 1506.3, an EA prepared for a Federal grant program not administered by NPS may be submitted if adequate to meet environmental documentation requirements of proposed HPF grant actions.

e. Points to keep in mind:

(1) Environmental documentation should be free to project justification and personal bias. The project should be justified elsewhere in the grant application.

(2) Do not rely on generalities. Specific facts are essential. All statements and conclusions should be supported, and quantified where possible.

(3) Use graphics to help explain the project.

(4) Be concise, clear and to the point.

(5) Adverse impacts should be addressed as fairly as beneficial impacts; and impacts should be presented without conclusionary statements as to their significance.

9. Finding of No Significant Impact (FONSI). If NPS, after reviewing the environmental assessment, determines that the proposed project will not have a significant effect on the quality of the human environment and that an EIS is therefore unnecessary, a Finding of No Significant Impact (FONSI) will be signed and included in the project file. (See form at end of this Chapter.)

10. Guideline to determine when an Environmental Impact Statement should be prepared. NPS will require sufficient environmental data from the grantee to prepare an EIS on a proposed project deemed to be a major Federal action having a significant impact on the physical, biological, and/or socio-economic environment of the project site and/or surrounding area. Cumulative impacts and/or subsequent actions must be considered in environmental data submitted.

    Factors to consider. The occurrence of one or more of the following factors indicates that an EIS may be needed:

    a. Marshes or wetlands, unique animal or plant ecosystems, lakes, streams, or marine areas are affected significantly.

    b. The proposed HPF project would or might result in major natural or physical changes, including interrelated social and economic changes and residential and land use changes, within the project area or its immediate environs.

    c. An archeological or historical site on or eligible for nomination to the National Register of Historic Places would be subjected to significant adverse effects by the proposed project.

    d. Highly controversial issues involving the environmental effects of the project exist or are expected.

    e. The project site contains threatened or endangered species of flora or fauna, significant mineral values, or a unique geologic formation.

    f. Actions which foreclose other beneficial uses of mineral, agricultural, timber, water, energy, or transportation resources critical to the Nation's or a State's welfare.

11. Adoption of previous statement.

    a. Other agency's final EIS:

    In accordance with 40 CFR 1506.3, an EIS prepared for a Federal grant program not administered by NPS may be adopted by NPS if adequate to meet the requirements of a proposed HPF action. When another agency's statement is adopted, only the final statement must be circulated.

b. Previous NPS final EIS:

An EIS previously prepared for the acquisition of land under a L&WCF grant, or other Federal actions, will satisfy section 102(2)(C) of NEPA for an HPF project provided that:

1) the development is in accordance with the plans submitted with the acquisition project; and

2) the EIS for the acquisition project adequately describes the environmental impacts of the facility to be developed and public use of the area.

12. Preparing and processing an EIS.

a. Policy. Each EIS shall be prepared in accordance with: (1) CEQ Regulations for Implementing NEPA: 40 CFR 1500-1508; (2) DOI Manual, 516 DM 4; and (3) NPS Environmental Guidelines, NPS-12. For any EIS prepared by a State agency with statewide jurisdiction under NEPA section 102(2)(D), the responsible NPS official shall actively furnish guidance and participate in the preparation of the EIS and shall independently evaluate the EIS prior to its approval and adoption. (States should consult the NPS Regional Office; the National Trust should consult the NPS Associate Director, Planning and Development, in Washington.)

b. Notice of intent. [NOI (40 CFR 1501.7 and 1508.22; 516 DM 2.3D)].

After a decision is made to prepare an EIS, an NOI will be published by NPS in the Federal Register and made available to the affected public--see 40 CFR 1506.6.

c. Scoping process. (40 CFR 1501.7; 516 DM 2.6).

Scoping is an early and open process to determine the scope of significant issues to be addressed in an EIS. An invitation to affected Federal, State, and local agencies and interested persons to participate in the scoping process should be included in the NOI.

d. Format and content of EIS. The necessary in-depth environmental information and analysis must use the following format:

1) Cover Sheet. (May be satisfied by SF 424).
2) Summary.
3) Table of Contents.
4) Purpose of and need for the Action.
5) Alternatives including the Proposed Action.
6) Affected Environment.

7) Environmental Consequences.
8) Consultation and Coordination in the Development of the Proposal and in Preparation of the Environmental Impact Statement. (This section will contain the list of Agencies, Organizations, and Persons to Whom Copies of the Statement are sent.)
9) Index.
10) Appendices (if any).

Each element of the format should contain the information called for in 40 CFR 1502.11 through 1502.18, 516 DM 4.6C, and NPS-12 (NEPA Handbook), plus appropriate maps/graphics of the area affected by the proposed action.

e. Processing of Draft EIS. Printing clearance for any EIS must be obtained through the NPS Associate Director for Planning and Development.

f. Final EIS.

1) The final EIS shall include a "Public and Other Agency Comment and Response Section." This section is an expansion of the Consultation/Coordination Chapter described in item 12(d)(8) above. All written comments on the Draft EIS from Federal and State agencies should be printed in full and not summarized, even if voluminous. All other substantive written comments should either be printed in the final EIS or summarized if exceptionally voluminous.

2) Distribution of the final EIS. At a minimum, a copy of the final EIS will be sent to each commenter and all Federal agencies that were sent the draft EIS.

Ordinarily, no more than 500 copies of the final EIS need be printed. Copies of the EIS should be available for public inspection at the NPS WASO and Regional Offices, and at appropriate government offices and local libraries.

3) Comments on final EIS. Comments are not solicited on a final EIS. However, any comments received within 30 days of distributing a final EIS should be considered in deciding whether to approve an HPF grant or subgrant.

g. Record of Decision.

No decision on the proposed action may be made until 30 days after notice of the filing of the EIS is published by the U.S. Environmental Protection Agency in the Federal Register. The record of decision shall be in accord with 40 CFR 1505.2.

## B. Floodplain and Wetlands Management.

1. Policy. All projects must comply with Executive Order (EO) 11988, Floodplain Management; EO 11990, Protection of Wetlands; the U.S. Water Resources Council's Floodplain Management Guidelines for implementing EO 11988 (43 CFR 6030); DOI Floodplain and Wetland Guidelines (520 DM) and NPS Floodplain and Wetlands Guidelines.

   The objectives of the Executive Orders and of the procedures detailed in this Chapter are to avoid to the extent possible the long and short term adverse impacts associated with the occupancy and modification of floodplains and wetlands and to avoid direct or indirect support of development of floodplains and wetlands wherever there is a practicable alternative. Where floodplains or wetlands cannot be avoided, these procedures will focus on mitigation of the adverse effects of any action. In the context of the Orders, mitigation means to:

   a. Design or modify actions so as to minimize harm to life, property, and natural values;

   b. Minimize destruction, loss or degradation of wetlands;

   c. Restore and preserve natural and beneficial floodplain values; and

   d. Preserve and enhance natural and beneficial floodplain values.

   Direct or indirect funding of floodplain development or construction in wetlands should be avoided when practical alternatives exist. When activities or projects funded with assistance from HPF grant must be carried out in floodplain or in wetlands because no practical alternatives exist, the work must be done in conformance with the requirements of Section 7.C of the NPS Floodplain/Wetlands Protection Guidelines.

2. Policy on Cultural Resources located in Floodplains or Wetlands. As part of its congressional mandate, the National Park Service preserves and interprets cultural resources possessing historical, archeological, architectural, engineering and cultural significance included on, or eligible for inclusion on, the National Register of Historic Places. In general, it is NPS policy that cultural resources located in floodplains will be managed to assure their in-place preservation. Floodproofing measures taken to protect the cultural property or site from the hydraulic or erosive forces of flooding will be designed so as not to adversely affect the historic integrity of the structure or site. When a cultural site or structure does not have the significance to merit action sufficient to ensure its preservation from flood loss, an appropriate level of study and an appropriate treatment plan will be prepared and implemented whenever possible.

3. Decision-Making Process. These guidelines require that a sequential analysis be implemented that includes the following steps:

   a. Determine if the proposed action is in, or could affect, a Floodplain or Wetland.

      1) Determine if the action is in the Base Floodplain by consulting Flood Insurance Rate Maps or Flood Hazard Boundary Maps. Grantees may contact the National Flood Insurance Program of the Federal Insurance Administration of the Federal Emergency Management Agency to obtain a flood map of their locality (call 800-638-6620). If no maps are available, consult the appropriate NPS Environmental Coordinator, or assume that the action may be in the base floodplain and begin compliance with the Executive Orders, or obtain the services of a licensed consulting hydrologist or engineer who is qualified to determine whether the action is located in the floodplain;

      2) Determine if the proposed action is in a Wetland by consulting with the responsible field office of the U.S. Fish and Wildlife Service to obtain a National Wetland Inventory Map. If there is no such map, the grantee should consult the wetland inventories maintained by the U.S. Corps of Engineers, the U.S. Environmental Protection Agency, the National Oceanic and Atmospheric Administration (U.S. Department of Commerce), and NPS.

   b. Public Review. See Section B.6. below.

   c. Variances. For purposes of floodplain management and compliance with Executive Orders 11988 and 11990, note that 44 CFR 60.6 stipulates procedures whereby a community may issue a variance to its floodplain management regulations for the reconstruction, rehabilitation, or restoration of structures listed on the National Register of Historic Places or on a State Inventory of Historic Places. Issuance of such a variance allows a building permit to be issued and flood insurance to be purchased (although often at increased premium rates). Documentation of such a variance must be submitted to NPS with the HPF grant application and the Environmental Assessment.

4. Environmental Assessment - Floodplain/Wetland Areas. Grant proposals for projects which lie in floodplain or wetland areas normally require preparation of an environmental assessment. The assessment must include the following:

   a. Need for the proposal, including an explanation of why the proposed action in the floodplain or wetland is to be taken;

   b. The extent of the direct and indirect support of floodplain and wetlands development;

c. Measures to be taken to minimize harm to lives and property and the natural and beneficial floodplain values and to restore and preserve these values served by floodplains and wetlands;

d. Alternative actions (including no action, and renovation of eligible facilities at alternative sites) are to be considered;

e. Assurance that all Federal, State, and local floodplains/wetlands regulations and standards are being met;

f. A location map delineating the floodplain or wetlands;

g. The environmental impacts of the proposed action and alternatives; and

h. A listing of persons and agencies consulted.

5. Statement of Findings. When the proposed action involves adverse impacts to floodplain or wetland areas, the environmental document(s) will be coupled with a separately identifiable Statement of Findings not to exceed three pages documenting the rationale for the determination that there is no practicable alternative location. The Statement of Findings shall conform with the requirements promulgated in Sections 6.C.3.c. and 6.C.6. of the NPS Floodplain/Wetlands Protection Guidelines, and must provide the following information:

a. A description of why the proposed action must be located in the floodplain;

b. A description of all significant facts considered in making the determination, including alternative sites and actions;

c. A statement indicating whether the actions conform to applicable State or local floodplain protection standards;

d. A description of how the activity will be designed or modified to minimize harm to or within the floodplain;

e. A statement indicating how the action affects the natural or beneficial floodplain values;

f. A statement indicating why the National Flood Insurance Program criteria are demonstrably inappropriate for the proposed action (see 44 CFR 60);

g. A map showing the location of the floodplain or wetland and the site(s) of the proposed action; and

h. The signature of the SHPO recommending approval of the Statement of Findings and also recommending the approval of NPS on the combined Environmental Assessment and Statement of Findings.

6. Citizen Participation and Executive Order 12372 Review. The HPF applicant must ensure that the general public has an opportunity for early review of development plans or proposals for actions affecting floodplains or wetlands. In all cases, a press notice will be published in the local media briefly describing the proposed action and urging members of the public to provide their views to the sponsor. The notice must expressly state that the proposed site or portion of the proposed site is in a floodplain or wetland. The applicant jurisdiction must include a copy of the press notice, any public comments received, and the proposed environmental assessment with the HPF proposal information normally submitted to E.O. 12372 review entities at the full application stage. When adverse comments have been received as a result of the E.O. 12372 review process or early public review, NPS will forward copies of all notices and NEPA documents to the following agencies noted in Section 1.8C(4) of the Floodplain Guidelines and Wetland Protection Procedures, and in 520 DM 1: U.S. Environmental Protection Agency; Federal Emergency Management Agency; U.S. Fish and Wildlife Service; U.S. Geological Survey; Bureau of Reclamation; U.S. Army Corps of Engineers; U.S. Soil Conservation Service; appropriate State Review Agencies as determined under E.O. 12372; and Coastal or River Basin Commissions and State Coastal Zone Management Administrators, as appropriate.

## EXHIBIT 11-A

## ENVIRONMENTAL CERTIFICATION

Based upon a review of the application, proposal narrative, and the supporting documentation contained in the application, it has been determined that the proposed HPF project, ______________________________ , meets the criteria for categorical exclusion* under 516 DM 6.

| | |
|---|---|
| ____________________________ | ____________________________ |
| Grantee or Applicant | Date |

____________________________
Title

I Concur:

| | |
|---|---|
| ____________________________ | ____________________________ |
| Regional Director<br>(or designee for grant approvals)<br>National Park Service | Date |

*(Indicate appropriate categorical exclusion from those listed in section A.4 of Chapter 11 of the Manual.)

## EXHIBIT 11-B

## NATIONAL PARK SERVICE
## FINDING OF NO SIGNIFICANT IMPACT

Project Number and Name

City, County, State

Proposed Federal Action:

Approval of HPF Grant
for:

Federal Environmental Finding

After careful and thorough review and consideration of the facts contained in the attached Environmental Assessment for the proposed project, I find that the proposed Federal action will not significantly affect the quality of the human environment under the National Environmental Policy Act, Section 102(2)(c) and, therefore, an EIS is not required.

Name
Title

Date

## COST PRINCIPLES AND INDIRECT COSTS

A. Purpose and Scope. This Chapter identifies the principles to be used in determining allowable costs of programs and projects. The principles apply to HPF grant-supported activities conducted by grantees as well as by subgrantees, including contractors and subcontractors under grants.

B. Application of Cost Principles. Grant funds must be used only for allowable costs of the activities for which the HPF grant was awarded. All costs claimed under the grant, including subawards, subgrants, subcontracts, etc., are subject to the applicable cost principles, as well as the additional selected items of costs listed in Chapter 13 of this Manual. While grants to State governments are awarded subject to the cost principles of OMB Circular A-87 and HPF grants to the National Trust are awarded subject to the cost principles of OMB Circular A-122, all subawards (subgrants, subcontracts, etc.) are subject to those Federal cost principles and general standards applicable to the particular subrecipient. Grantees are to cite the appropriate cost principles in their subgrants or subcontracts with other parties, as follows:

1. Governments. When a subaward is made to another State agency, local government, or federally recognized Indian tribe, the principles contained in OMB Circular A-87 (34 CFR 255), including any amendments published in the *Federal Register* by OMB, shall apply.

2. Institutions of higher education. When a subaward is made to a publicly financed college or university (other than for-profit institutions), the principles to be used in determining allowable costs are contained in OMB Circular A-21, including any amendments to the Circular published in the *Federal Register* by OMB.

3. Nonprofit organizations. The principles to be used in determining allowable costs of activities conducted by nonprofit organizations (other than governments or institutions of higher education) are contained in OMB Circular A-122, including any amendments to the Circular published in the *Federal Register* by OMB.

4. For-profit organizations. The principles to be used in determining the allowable costs of work performed by for-profit organizations (other than hospitals) under cost-type contracts awarded to them under HPF grants are set forth in the Federal Procurement Regulations, 41 CFR 1-15.2 or 1-15.4, as appropriate.

5. Subgrants and cost-type contracts. The cost principles applicable to a subgrantee or cost-type contractor under an HPF grant will not necessarily be the same as those applicable to the grantee. For example, where a State government awards a subgrant to an institution of higher education, OMB Circular A-21 would apply to the costs incurred by the institution of higher education, even though OMB Circular A-87 would apply to costs incurred by the State.

6. Costs allowable with prior approval. Each set of cost principles identifies certain costs that, in order to be allowable, must be approved by NPS. Other costs do not require prior approval. The following procedures govern approval of these costs:

   a. When costs are treated as indirect costs (or are allocated pursuant to a government cost allocation plan), acceptance of the costs as part of the indirect cost rate or cost allocation plan shall constitute approval.

   b. (1) When the costs are treated as direct costs, they must be approved in advance by the NPS Grant Awarding Official.

      (2) If the costs are specified in the grant application budget, approval of the budget shall constitute approval of the costs. (See Chapter 3, Section G.1, for limitation.)

      (3) If the costs are not specified in the grant application budget, the grantee shall obtain specific prior approval in writing from the grant awarding official. For this purpose the prior approval procedures of Chapter 15, Section D, shall be followed.

   c. In the case of subgrants and cost-type contracts, no approval shall be given which is inconsistent with the purpose or terms of the Federal grant.

7. Supplement to selected items of costs. Chapter 13 of this Manual provides standards for determining the allowability of selected items of costs applicable to State and local governments (OMB Circular A-87). In addition, cost items specific to the Historic Preservation Fund program have been added. Except where selected items of costs included in Chapter 13 specifically conflict with the cost allowability standards of OMB Circulars A-21 and A-122, standards of Chapter 13 shall be applicable in all subawards.

C. Basic Guidelines.

1. Factors affecting allowability of costs. The allowability of individual items of cost, as Federal share or non-Federal share, must meet the following general criteria:

   a. The cost item must be necessary for proper and efficient conduct of grant-supported activities; be reasonable and within the scope of NPS approved work; be allocable under these principles; and except as otherwise specified in this Manual, not be a general expense required to carry out the overall responsibilities of State or local governments.

   b. The cost item must be authorized or not prohibited under State or local laws or regulations.

c. The cost item must conform to any limitations or exclusions set forth in these cost principles, Federal laws, this Manual, or other limitations included in the grant award as to types or amounts of cost items.

d. The cost items must be consistent with policies, regulations, and procedures that apply uniformly to both federally assisted and other activities of the unit of government of which the grantee is a part.

e. The cost item must be accorded consistent treatment through application of generally accepted accounting principles and practices appropriate to the particular circumstances.

f. The cost item must not be allocable to, or included as, a cost of any other federally financed program in either the current or a prior period.

g. The cost item must be net of all applicable credits.

2. Reasonable costs. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by an ordinarily prudent person in the conduct of competitive business. The question of reasonableness of specific costs must be scrutinized with particular care in connection with institutions such as universities, or separate institutional or university divisions, which may not be subject to effective competitive restraints. What is reasonable depends upon a variety of considerations and circumstances involving both the nature and amount of the cost in question. In determining the reasonableness of a given cost, grantees must give consideration to:

a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the institution or the performance of the subgrant or contract;

b. The restraints or requirements imposed by such factors as generally accepted sound business practices, arms-length bargaining, Federal and State laws and regulations, and grant/subgrant/contract terms, specifications, and conditions;

c. The action that a prudent business person would take under the circumstances, considering his/her responsibilities to the public at large, the Government, his/her employees, and the fulfillment of the purposes for which the grantee institution was organized; and

d. Significant deviations from the established practices of the grantee organization which may unjustifiably increase the grant costs.

3. Allocable costs.

   a. A cost is allocable to a particular cost objective, such as a grant/contract, project, service, or other activity, in accordance with the relative benefits received. A cost is allocable to an NPS grant if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:

      1) Is incurred specifically for the grant; and either

      2) Benefits both the grant and other work but can be distributed to them in proportion to the benefits received; or

      3) Is necessary to the overall operation of the grantee organization, although a direct relationship to any particular cost objective cannot be shown (see Section F, Indirect Costs).

   b. Any cost allocable to a particular grant or cost objective under these principles may not be shifted to other Federal grant programs to overcome funding deficiencies, to avoid restrictions imposed by law or grant agreements, or for other reasons.

   c. Where an allocation of joint cost will ultimately result in charges to a Historic Preservation Fund grant, an allocation plan is required as described in Section J, below.

4. Applicable credits.

   a. Applicable credits are those receipts or reduction of expenditure-type transactions which affect or reduce expense items that are allocable to grants or contracts as direct or indirect costs. Examples of such transactions are: purchase discounts, rebates, allowances; sales of publications, equipment, or scrap; income from personal or incidental services; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges.

   b. Applicable credits may also arise when Federal funds are received or are available from sources other than the grant program involved to finance operations or capital items of the grantee. This includes costs arising from the use or depreciation of items donated or financed by the Federal Government to fulfill matching requirements under another grant program. These types of credits should likewise be used to reduce related expenditures in determining the rates or amounts applicable to a given grant.

5. Specific NPS criteria:

   a. All Federal assistance received under an HPF grant must be expended solely for the reasonable and eligible costs of approved activities described in the grant application and subseqent Project Notifications for projects and programs in accordance with the terms of the grant agreement and this Manual.

b. The grantee may neither delegate nor transfer its accountability for the use of grant funds.

c. No profit or other increment above cost in the nature of profit is allowed to the grantee or subgrantee. The value of donated services or donated goods and space is not reimbursable either as a direct or indirect cost. However, such in-kind contributions can fulfill matching share requirements. Only cash expenditures are reimbursable; for example, if $4,000 of cash expenditures are matched by $6,000 of donated goods and services, then the maximum Federal reimbursement is $4,000. Where donations are treated as indirect costs, indirect cost rates must separate the value of the in-kind donations so that reimbursement will not be made where costs were not incurred.

d. NPS will not be obligated to reimburse the grantee for costs incurred in excess of the amount approved in the grant agreement.

e. It is the intent of NPS that funds be awarded to assist work not yet undertaken, rather than to help pay for work already begun or completed. This applies to entire projects and to each phase of a multi-stage project.

   1) Preagreement costs are those costs incurred prior to project approval by NPS. They include costs incurred for subsequent phases before the appropriate grant documents are approved by NPS. With the specific exceptions stated in Chapter 14, preagreement costs are not eligible for assistance.

   2) In some cases, the grantee will have begun some parts of the work, and thereby incurred costs, before the grant documents appropriate to the project are acted upon by NPS. If such a project is approved, none of the costs incurred prior to approval will be matched, except as indicated in Chapter 14, Matching Share.

f. If, during the conduct of a project, it becomes apparent that completion will not be possible within the approved grant period, the grantee may submit an amendment to apply unexpended funds to other program or project work. This should be submitted at least 30 days prior to the scheduled end date. Requests for extensions of time to incur costs beyond the end date of a continuation grant will not be approved.

D. Composition of Cost.

1. Total cost. The total cost of a grant program is the sum of the allowable direct costs incident to its performance, plus its

allocable portion of allowable indirect costs, less applicable credits. The grant program or project costs include any portion of the approved grant program financed by the grantee.

2. Classification of costs. There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the grant or other ultimate cost objective. It is essential therefore that each item of cost be treated consistently either as a direct or an indirect cost. Specific guides for determining direct and indirect costs allocable under grant programs are provided in the sections which follow.

## E. Direct Costs.

### 1. General.

a. Direct costs are those that can be identified specifically with a particular cost objective, such as a particular grant or contract, project, service, or other direct activity of an organization, in order to be charged to that particular grant. Direct costs may also be charged to cost objectives used for the accumulation of costs pending distribution in due course to grants and other ultimate cost objectives. However, a cost may not be assigned to a grant or contract as a direct cost if any other cost incurred for the same purpose, in like circumstances, has been allocated to a grant or contract as an indirect cost.

b. Costs identified specifically with a particular NPS grant assisted project or activity are direct costs of the appropriate grant/contract and may be charged to it. Costs identified specifically with other than HPF assisted work of the grantee organization are direct costs of that work and are not to be charged to an HPF grant award, either directly or indirectly.

c. Costs charged as direct costs to NPS supported grants, including project grants, must be charged in a uniform manner to all other work of the grantee organization in order to preclude an overcharge to the Government as a result of the Government's participation in the indirect cost pool. Conversely, where the grantee's established accounting system provides for the treatment of certain items of cost as direct costs, then the same items must be considered direct costs to Government supported grants and may not be included in the indirect cost pool.

2. Unallowable direct costs. The costs of certain activities are not allowable as charges to HPF grants or contracts or subgrants awarded by grantees using grant funds (see, for example, fundraising costs in Chapter 13). These costs may not be charged to HPF grants as direct or indirect costs. However, even though a particular activity or cost is designated as unallowable for purposes of computing charges to HPF grants, it must nevertheless be treated as a direct cost for

purposes of determining if a portion of the grantee's indirect cost (as defined in the following section) is properly allocable to it. The amount of indirect cost allocated must be in accordance with the principles set forth in Section F. In general, an unallowable grantee activity shall be accounted for as a direct cost when it (a) includes salaries of personnel, (b) occupies space, and (c) benefits from the grantee organization's indirect cost pool. Chapter 13 includes specific items of unallowable costs; the costs associated with these types of activities shall be treated as direct costs and may not be charged to HPF grants.

For non-profit grantees and subgrantees (per Circular A-122), the costs of activities performed primarily as a service to members, clients, or the general public when significant and necessary to the organization's mission must be treated as direct costs whether allowable or not allowable and be allocated an equitable share of indirect costs. Some examples of these types of activities include:

a. Maintenance of membership rolls, subscriptions, publications, and related functions.

b. Providing services and information to members, legislative or administrative bodies, or the public.

c. Promotion, lobbying, and other forms of public relations.

d. Meetings and conferences except those held to conduct the general administration of the organization.

e. Maintenance, protection, and investment of special funds not used in operation of the organization.

f. Administration of group benefits on behalf of members of clients including life and hospital insurance, annuity or retirement plans, financial aid, etc.

3. Typical direct costs chargeable to grant programs are:

a. Compensation of employees for the time and effort devoted specifically to the execution of grant programs;

b. Cost of materials acquired, consumed, or expended specifically for the purpose of the grant;

c. Equipment and other approved capital expenditures;

d. Other items of expense incurred specifically to carry out the grant agreement;

e. Services furnished specifically for the grant program by other agencies, provided such charges are consistent with criteria outlined in Section G., below.

## F. Indirect Costs.

1. General. Indirect costs are those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. The term "indirect costs" applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities, to the grantee department. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect cost within a grantee department or in other agencies providing services to a grantee department. Indirect cost pools should be distributed to benefiting cost objectives on bases which will produce an equitable result in consideration of relative benefits derived. Where in-kind donations are treated as indirect costs, indirect cost rates must separate the value of the donations so that reimbursement will not be made where no costs were incurred.

2. Grantee Departmental indirect costs. All grantee departmental indirect costs, including the various levels of supervision, are eligible for allocation to grant programs provided they meet the conditions set forth in this Chapter (see Section I) and in Chapters 7 (Exhibit 7-B) and 13. In lieu of determining the actual amount of grantee departmental indirect cost allocable to a grant program, the following methods may be used, subject to the written approval of the Federal cognizant agency:

   a. Predetermined fixed rates for indirect costs. A predetermined fixed rate for computing indirect costs applicable to a grant may be negotiated annually with the appropriate cognizant Federal agency in situations where the cost experience and other pertinent facts available are deemed sufficient to enable the contracting parties to reach an informed judgment (1) as to the probable level of indirect costs in the grantee department during the period to be covered by the negotiated rate, and (2) that the amount allowable under the predetermined rate would not exceed actual indirect cost.

   b. Negotiated lump sum for overhead. A negotiated fixed amount in lieu of indirect costs may be appropriate under circumstances where the benefits derived from a grantee department's indirect services cannot be readily determined as in the case of small, self-contained or isolated activity. When this method is used, a determination will be made by the Office of Inspector General that the amount negotiated will be approximately the same as the actual indirect cost that may be incurred. Such amounts negotiated in lieu of indirect costs will be treated as an offset to total indirect expenses of the grantee department before allocation to remaining activities. The base on which such remaining expenses are allocated should be appropriately adjusted.

3. Limitation on indirect costs. HPF grants are not presently subject to statutory limitations upon the amount of indirect costs that may be allowed pursuant to a current indirect cost rate approved by the cognizant Federal agency.

## G. Cost Incurred by Agencies Other than the Grantee.

1. General. The cost of service provided by other agencies may only include allowable direct costs of the service plus a prorata share of allowable supporting costs (Chapter 13, item B.21) and supervision directly required in performing the service, but not supervision of a general nature such as that provided by the head of a department and his staff assistants not directly involved in operations. However, supervision by the head of a department or agency whose sole function is providing the service furnished would be an eligible cost. Supporting costs include those furnished by other units of the supplying department or by other agencies.

2. Alternative methods of determining indirect cost. In lieu of determining actual indirect cost related to a particular service furnished by another agency, either of the following alternative methods may be used provided only one method is used for a specific service during the fiscal year involved.

   a. Standard indirect rate. An amount equal to 10 percent of direct labor cost in providing the service performed by another State agency (excluding overtime, shift, or holiday premiums and fringe benefits) may be allowed in lieu of actual allowable indirect cost for that service.

   b. Predetermined fixed rate. A predetermined fixed rate for indirect cost of the unit or activity providing service may be negotiated as set forth in Section F.2.a.

NOTE: These alternative methods require the concurrence of the Department of the Interior's Office of Inspector General and shall not be executed without such concurrence.

## H. Cost Incurred by Grantee Department for Others.

The principles provided in Section G. will also be used in determining the cost of services provided by the grantee department to another agency.

## I. Application of Indirect Cost Principles and Procedures.

1. As with direct costs, indirect costs shall be allowable to the extent that they are directly related, necessary, reasonable (see Section C.2), allocable (see Section C.3), and determined to be allowable in view of the factors set forth in Section C, above, and Chapter 13, which details standards for selected items of cost.

2. In keeping with these guidelines, grantees must examine the elements of subgrantee organizations' indirect cost pools to ensure that proposed indirect costs to be charged to an HPF-assisted grant conform to these guidelines. (Refer to Federal Management Circular 73-6, Coordinating Indirect Cost Rates and Audit Rates for Educational Institutions (34 CFR Part 252) which provides a listing of selected universities and the cognizant Federal agency. For any university not listed, the Department of Health and Human Services is the cognizant agency.)

3. In accordance with Cost Principles for Educational Institutions, OMB Circular A-21, Section G.3:

> A negotiated fixed amount in lieu of indirect costs may be appropriate for self-contained, off-campus, or primarily subcontracted research activities where the benefits derived from an institution's indirect services cannot be readily determined. Such amount negotiated in lieu of indirect costs will be treated as an offset to total indirect expenses...(of the institution).

A special indirect cost rate may also be negotiated for a large non-recurring project when such project costs would distort the normal direct cost base in computing the overhead rate.

## J. Cost Allocation Plan.

1. General. A plan for allocation of costs will be required to support the distribution of any joint costs related to the grant program. All costs included in the plan will be supported by formal accounting records which will substantiate the propriety of eventual charges.

2. Requirements. The allocation plan of the grantee department should cover all joint costs of the department as well as costs to be allocated under plans of other agencies or organizational units which are to be included in the costs of federally sponsored programs. The cost allocation plans of all the agencies rendering services to the grantee department, to the extent feasible, should be presented in a single document. The allocation plan should contain, but not necessarily be limited to, the following:

   a. The nature and extent of services provided and their relevance to the federally sponsored programs;

   b. The items of expense to be included;

   c. The methods to be used in distributing cost.

3. Instructions for preparation of cost allocation plans. The Department of Health and Human Services, in consultation with the other Federal agencies concerned, has developed and issued instructions for use by State and local government grantees in

preparing cost allocation plans. This responsibility applies to both central support services at the State and local government level and indirect cost proposals of individual grantee departments. Refer to OASC-10, Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government, A Guide for State and Local Government Agencies, December 1976. The procedures in that brochure are applicable to grants awarded by all Federal agencies. Non-profit grantees shall also refer to OMB Circular A-122, Attachment A, Part D.

4. General guidelines for preparing a cost allocation plan.

   a. There are three basic steps in the preparation of a plan:

      1) Classifying grant costs as either direct or indirect according to the established policy of the State;

      2) Selecting an appropriate distribution base(s) for indirect costs;

      3) Distributing the indirect costs to the programs.

   b. The cost allocation plan is subject to Federal audit to determine that:

      1) Indirect costs have been distributed to all benefiting programs (Federal and nonfederal).

      2) The distribution is based on method(s) reasonably indicative of the amount of services or supplies provided.

      3) The services provided are necessary to the successful performance of Historic Preservation Fund grants.

      4) The grant costs claimed are otherwise allowable in accordance with this Chapter and Chapter 13.

   c. Indirect costs should be distributed to each applicable direct cost objective on the basis of one of the following:

      1) Total direct salaries;

      2) Total direct salaries plus applicable fringe benefits;

      3) Total direct costs;

      4) Other bases for certain indirect costs, such as those shown below:

| Type of Indirect Expense | Possible Base for Allocation |
|---|---|
| Office space and related costs (heat, light, janitor service, etc.) | Square feet of space occupied for HPF activities |
| Data processing | Machine hours |
| Organization and management services | Direct |
| Printing and reproduction | Direct hours, job basis, pages printed, etc. |
| Telephone | Number of telephone instruments |
| Office supplies | Number of employees |
| Postage | Usage, letters written |
| Payroll services and personnel administration | Number of employees |
| Accounting or bookkeeping services | Total dollar volume or number of transactions processed |
| Auditing | Direct audit hours |

d. Any method of distribution which will provide an equitable distribution of costs can be used. However, it is not acceptable to allocate either direct or indirect costs on the basis of revenue received or on the basis of funds received under Federal grants. Costs must be allocated on the basis of services rendered or goods provided under the NPS grant.

e. Required documentation must be maintained.

1) Project records must reflect NPS approval of those costs listed in Chapter 13 of this manual, Section C, which require Federal approval. NPS approval of these costs must be obtained in writing prior to the costs being incurred.

2) For applied indirect cost rates, grantee records must include the applicable indirect cost allocation plan and the approval by the cognizant Federal agency.

5. Negotiation and approval of indirect cost proposals for States.

a. The Department of Health and Human Services, in collaboration with the other Federal agencies concerned, will be responsible for negotiation, approval, and audit of cost allocation plans, which will be submitted to it by the States. These plans will cover central support service costs of the State.

b. At the grantee department level in a State, a single cognizant Federal agency will have responsibility similar to that set forth in subsection a., above, for the negotiation, approval, and audit of the indirect cost proposal. Cognizant Federal agencies, those with the predominant financial interest in the work of the grantee department, have been designated for this purpose. A current list of agency assignments is maintained by OMB.

c. Questions concerning the cost allocation plans approved under a. and b. above should be directed to the agency responsible for such approvals.

d. The following guidance is provided for grantees when the Department of the Interior is the cognizant Federal agency:

1) If indirect costs are to be applied, a cost allocation plan must be submitted annually to the Department of the Interior's Office of Inspector General (Attention: Regional Audit Manager) for negotiation and approval. In cases where the grantee's approved indirect cost rate is a provisional rate, subject to later finalization after the actual costs for the applicable fiscal period are known, the amount budgeted for indirect costs must not exceed the amount derived under a provisional rate contained in the agreement for the current budget period.

2) Guidance and advice concerning indirect cost proposals may be obtained from the Regional Audit Managers, Department of the Interior, Office of Inspector General.

6. Negotiation and approval of indirect cost proposals for local government.

a. Cost allocation plans will be retained at the local government level for audit by a designated Federal agency except in those cases where that agency requests that cost allocation plans be submitted to it for negotiation and approval.

b. A list of cognizant Federal agencies assigned responsibility for negotiation, approval and audit of central support service cost allocation plans at the local government level is maintained by OMB.

c. At the grantee department level of local governments, the Federal agency with the predominant interest in the work of the grantee department will be responsible for necessary negotiation, approval and audit of the indirect cost proposal.

7. Negotiation and approval of indirect cost proposals for federally recognized Indian tribal governments. The Federal agency with the predominant interest in the work of the grantee department will be responsible for necessary negotiation, approval and audit of the indirect cost proposal.

# STANDARDS FOR ALLOWABILITY OF COSTS

## A. Purpose and Applicability.

1. Objective. This Chapter provides standards for determining the allowability of selected items of cost in accordance with Office of Management and Budget Circulars A-87 and A-122. It also includes additional cost items specific to the Historic Preservation Fund program. The National Trust shall be governed by OMB Circular A-122, Cost Principles for Nonprofit Organizations, and the HPF-specific items in this Chapter. Subgrantees that are educational institutions shall be governed by Circular A-21 and the HPF-specific items in this Chapter. Note that certain listed costs are allowable (Section B), other costs are allowable with approval of NPS (Section C), and other costs are unallowable (Section D). The costs not specifically addressed in the Circulars are preceded by an asterisk.

2. Applicability. These standards will apply irrespective of whether a particular item of cost is treated as a direct or an indirect cost, or as part of either the Federal or nonfederal matching share of grant assistance. This listing of cost items is not all-inclusive. Failure to mention a particular item of cost in these standards is not intended to imply that it is either allowable or unallowable, rather a determination of allowability in each case will be based on the treatment of standards provided for similar or related items of cost. The allowability of the selected items of cost is subject to the general policies and principles stated in Chapter 12, "Cost Principles," particularly Section B.7.

## B. Allowable Costs.

1. Accounting. The cost of establishing and maintaining accounting and other information systems required for the management of grant programs is allowable. This includes costs incurred by central service agencies for these purposes. The cost of maintaining central accounting records required for overall State government purposes, such as appropriation and fund accounts by the Treasurer, Comptroller, or similar officials, is considered to be a general expense of government, and is not allowable.

2. Advertising. Advertising media include newspapers, magazines, radio and television programs, direct mail, trade papers, and the like. The advertising costs allowable are those which are solely for:

   a. Recruitment of personnel necessary for the grant program;

   b. Solicitation of bids for the procurement of goods and services required for performance under HPF grants;

   c. Disposal of scrap or surplus materials acquired in the performance of the grant agreement. (Note: for nonprofit organizations reimbursed for disposals at a predetermined amount in accordance wih OMB Circular A-110, Attachment N, such costs are unallowable);

d. Notices required by Federal or State regulations pertaining to the HPF program; and

e. Other purposes specifically provided for in the grant agreement.

3. Advisory councils. Costs incurred by State advisory councils or committees established pursuant to Federal requirements to carry out programs, such as State Review Boards, are allowable. The cost of like organizations, such as local review boards established by "certified local governments" is allowable when provided for in the grant agreement. See B.47 below.

* 4. Appraisals. The cost of necessary appraisals is allowable.

5. Audit service. The cost of audits necessary for the administration and management of functions related to grant programs is allowable.

6. Bonding. Costs of premiums on bonds covering employees who handle grantee agency funds are allowable for HPF grantees. In addition, costs of such bonds as bid, performance, payment, advance payment, infringement, and fidelity are allowable if required pursuant to the terms of the HPF award, if in accordance with sound business practice, and the rates and premiums are reasonable.

7. Budgeting. Costs incurred for the development, preparation, presentation and execution of HPF-assisted program and project budgets are allowable. Costs for service of a central budget office are generally not allowable since these are costs of general government. However, where employees of the central budget office actively participate in the grantee agency's budget process, the cost of services specifically identifiable with the HPF program is allowable.

8. Building lease management. The administrative cost for lease management of grantee office space which includes review of lease proposals, maintenance of a list of available property for lease, and related activities is allowable.

9. Central stores and services. The cost of maintaining and operating a central store organization for supplies, equipment and materials used either directly or indirectly for the HPF grant program is allowable.

10. Communications. Communication costs incurred for telephone calls or service, teletype service, wide area telephone service (WATS), centrex, telpak (tie line), postage, messenger service, and similar expenses necessary for and directly related to HPF grant program operations are allowable.

11. Compensation for personal services.

   a. General. For State and local governments, compensation for personal services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under the grant agreement, including but not necessarily limited to wages, salaries and supplementary compensation and benefits. The costs of such compensation are allowable to the extent that total compensation for individual employees:

      1) Is reasonable for the services rendered;

      2) Follows an appointment made in accordance with State, local, or Indian tribal government laws and rules and which meets Federal merit system or other requirements, where applicable; and

      3) Is determined and supported as provided in b., below. Compensation for employees engaged in federally assisted activities will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the State or local government. In cases where the kinds of employees required for the federally assisted activities are not found in the other activities of the State or local government, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.

   b. Payroll and distribution of time. Amounts charged to grant programs for personal services, regardless of whether treated as direct or indirect costs, will be based on payrolls documented and approved in accordance wih generally accepted practice of the State government. Payrolls must be supported by time and attendance or equivalent records for individual employees. Time distribution records are not required for full or part time employees whose entire time and effort is chargeable to one project or activity. Salaries and wages of employees chargeable to more than one grant program or other cost objective will be supported by appropriate time distribution records. The method used should produce an equitable distribution of time and effort, and must account for the total salaried effort of the persons covered. Time distribution records must be sufficient to trace total apportioned time spent and results achieved to compensation paid. A system which provides for the reporting only of effort applicable to federally sponsored activities is not acceptable. Time should be accounted for in units no longer than working days, and a brief description linking work performed to a specific approved project or activity should be used. (For example, "Consulted with subgrantee's architect on project XX-0001" would be acceptable; "Grant activities" would not.)

c. Nonprofit organizations' charges for personal services must comply with the requirements of OMB Circular A-122, Attachment B, item 6.

d. Educational institutions' charges for personal services must comply with the requirements of OMB Circular A-21, item J.6.

e. Unallowable costs. Costs which are unallowable under the provisions of this Chapter shall not be allowable solely on the basis that they constitute personal compensation.

12. Depreciation and use allowances.

a. Grantees may be compensated for the use of buildings, capital improvements, and equipment used in grant program operations through use allowances or depreciation. Use allowances are the means of providing compensation in lieu of depreciation or other equivalent costs. However, a combination of the two methods may not be used in connection with a single class of fixed assets.

b. The computation of depreciation or use allowance will be based on acquisition cost. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used in the computation. The computation will exclude the cost or any portion of the cost of buildings and equipment donated or borne directly or indirectly by the Federal Government through charges to Federal grant programs or otherwise, irrespective of where title was originally vested or where it presently resides. In addition, the computation will also exclude the cost of land. Depreciation or a use allowance on idle or excess facilities is not allowable, except when specifically authorized by NPS.

c. Where the depreciation method is followed, adequate property records must be maintained, and any generally accepted method of computing depreciation may be used. However, the method of computing depreciation must be consistently applied for any specific asset or class of assets for all affected federally sponsored programs and must result in equitable charges considering the extent of the use of the assets for the benefit of such programs.

d. In lieu of depreciation, a use allowance for buildings and improvements may be computed at an annual rate not exceeding 2 percent of acquisition cost. The use allowance for equipment (excluding items properly capitalized as building cost) will be computed at an annual rate not exceeding 6-2/3 percent of the acquisition cost of usable equipment.

e. No depreciation or use charge may be allowed on any assets that would be considered as fully depreciated, provided, however, that reasonable use charges may be negotiated for any such assets if warranted after taking into consideration the cost of the facility or item involved, the estimated useful life remaining at time of negotiation, the effect of any increased maintenance charges or decreased efficiency due to age, and any other factors pertinent to the utilization of the facility or item for the purpose contemplated.

f. Attached to this Chapter is an optional method for computing equipment use costs approved by the Department of the Interior, Office of Inspector General. While the optional method refers to local governments as direct grant recipients, the method may be applied to local government subgrantees; the method cannot be used by State government grantees.

g. For nonprofit grantees, see OMB Circular A-122, item 9.

* 13. Development costs. Development costs incurred by contract or force account as follows are allowable when such work complies with the Secretary of the Interior's Standards for Historic Preservation Projects:

a. Costs of exterior work, structural work, and necessary improvements in wiring, plumbing, and other utilities;

b. Costs of interior restoration if the public is to have access to the interior in accordance with public benefit policies.

14. Disbursing service. The cost of disbursing grant program funds by the Treasurer or other designated officer is allowable. Disbursing services cover the processing of checks or warrants, from preparation to redemption, including the necessary records of accountability and reconciliation of such records with related cash accounts.

15. Employee fringe benefits. Costs identified under a. and b. below are allowable to the extent that total compensation for grantee employees is reasonable as defined in Section B.11.

a. Benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, court leave, military leave, and the like, if they are:

1) Provided pursuant to an approved leave system; and

2) The cost thereof is equitably allocated to all related activities, including grant programs.

b. Benefits in the form of employers' contributions or expenses for social security, employees' life and health insurance plans, unemployment insurance coverage, workmen's compensation insurance, pension plans, severance pay, and the like, provided such benefits are granted under approved plans and are distributed equitably to grant programs and to other activities.

16. Employee morale, health, and welfare costs. The costs of health or first-aid clinics and/or infirmaries, recreational facilities, employees' counseling services, employee information publications, and any related expense incurred in accordance with general State, local, or Indian tribal government policy, are allowable. Income generated from any of these activities will be offset against expenses. For nonprofit grantees, see OMB Circular A-122, item 11.

17. Equipment and other capital expenditures. Any article of nonexpendable tangible personal property having a useful life of more than 1 year and an acquisition cost of $300 or less is allowable, without prior NPS approval, when necessary for grant program operations (but see Section C.4). For nonprofit grantees, see OMB Circular A-122, item 13, which imposes a $1,000 unit cost approval threshold.

18. Exhibits. Costs of temporary exhibits relating specifically to HPF grant-assisted program operations, accomplishments, or results are allowable (see Section D.31 for unallowable exhibition costs).

* 19. Furnishings. The cost of project furnishings is allowable as part of a development project when such furnishings are original pieces of furniture or permanently attached items that are integral to building construction or documented historic design or reconstruction based upon documented original furnishings. Some rehabilitation projects may involve furnishings when such furnishings are essential to major objectives of the project.

* 20. General conditions for construction contracts. This term, used in construction cost estimates, bids, and construction administration documents, refers to provisions by the general contractor of miscellaneous requirements to other contractors and subcontractors, thereby eliminating the duplication and expense of each trade providing its own temporary facilities. General conditions including, but not limited to, temporary heat, power, lighting, water, sanitary facilities, scaffolding, elevators, walkways and railings, construction office space and storage, as well as daily cleanup, security, and required insurance, permits, and surety bonds, are allowable when identified as a line item in the project application. (However, see D.9, contingencies, which are unallowable.)

* 21. Indirect costs. Indirect costs are allowable only in accordance with the applicable indirect cost principles and when based on a current approved or provisional rate awarded by the cognizant Federal agency

(see Chapter 12).

22. Insurance and indemnification. For nonprofit grantees, see OMB Circular A-122, item 18. For other grantees, see Insurance, Section C.6 of this Chapter.

* 23. Interpretive signs. The costs of purchasing and installing (but not maintaining) a minimum number of interpretive or informational markers or signs at grant assisted historic buildings and structures and archeological sites are allowable (but see Interpretive Expenses, Section D.24).

24. Labor relations costs. For nonprofit grantees, see Circular A-122, item 20.

* 25. Landscaping. Costs of landscaping are allowable as follows:

    a. Historically documented restoration or reconstruction of gardens, grounds, grading to attain historic appearance, and a compatible setting for the historic property;

    b. Grading for purposes of drainage, building safety, and protection;

    c. Improvements necessary to facilitate access for the handicapped.

26. Legal expenses. The cost of legal expenses required in the administration of HPF grant programs is allowable. Legal services furnished by the chief legal officer of a State or local government or his staff solely for the purpose of discharging his general responsibilities as legal officer are unallowable. Legal expenses for the prosecution of claims against the Federal Government are unallowable. (See D.37.)

* 27. Maintenance and repair. Costs incurred for necessary maintenance, repair, or upkeep of grantee administrative offices and facilities, and nonexpendable property used in support of grant assisted activities which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient condition, are allowable. (Costs of ongoing maintenance and administration of other property assisted with Historic Preservation Fund monies are unallowable, see D.28.) For nonprofit grantees, see Circular A-122, items 22, 38, and 39.

28. Materials and supplies. The cost of materials and supplies necessary to carry out the HPF grant program is allowable. Purchases made specifically for the grant program should be charged at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received by the grantee. Withdrawals from general stores or stockrooms should be charged at cost under any recognized method of pricing consistently applied. Incoming transportation charges are a proper part of material cost. Materials and supplies charged as a direct cost must include only the materials and supplies

actually used for the performance of the contract or grant, and due credit should be given for any excess materials or supplies retained or returned to vendors.

29. Memberships, subscriptions, and professional activities.

   a. Memberships. The cost of membership in civic, business, technical, and professional organizations is allowable provided:

      1) The benefit from the membership is directly related to achieving grant program objectives;

      2) The expenditure is for agency membership;

      3) The cost of the membership is reasonably related to the value of the services or benefits received; and

      4) The expenditure is not for membership in an organization which devotes a substantial part of its activities to influencing legislation. (Payment of dues to the National Conference of State Historic Preservation Officers is not an allowable grant cost. (See D.26 and D.32, and Chapter 5, General Condition 27.)

      5) For nonprofit grantees, see Circular A-122, item 25.

   b. Reference material. The cost of books and subscriptions to civic, business, professional and technical periodicals is allowable when necessary to accomplish grant program purposes.

   c. Meetings and conferences. Costs are allowable when the primary purpose of the meeting is the dissemination of information relating to the grant program and when they are consistent with regular practices followed for similar activities of the State. For nonprofit grantees, see OMB Circular A-122, item 24.

30. Motor pools. The costs of a service organization which provides automobiles to user grantee agencies at a mileage or fixed rate and/or provides vehicle maintenance, inspection, and repair services are allowable.

* 31. Moving or reconstruction. Costs of moving or reconstructing properties are allowable if the project meets NPS criteria (see Chapter 6, Section E.8.b.12).

32. Page charges in scientific or professional journals. Page charges for scientific or professional publications are allowable as a necessary part of grant cost where:

   a. The papers report work supported by the HPF grant and acknowledge the grant;

b. The charges are levied impartially on all papers published by the journal, whether by non-Government or by Government authors; and

c. There will be a significant and direct benefit to the achievement of HPF grant program objectives.

33. Patent Costs. For nonprofit grantees, see OMB Circular A-122, item 30. Also see Chapter 20, Sections D.5 and D.6.

34. Payroll preparation. The cost of preparing payrolls and maintaining necessary related wage records is allowable.

35. Personnel administration. Costs for the recruitment, examination, certification, classification, training, establishment of pay standards, and related activities for the HPF grant program, are allowable.

* 36. Plans and specifications. Costs of architectural plans and specifications, shop drawings, and/or other materials required to document development project work according to the Secretary's Standards are allowable.

37. Printing and reproduction. Costs of printing and reproduction services necessary for grant administration, including but not limited to forms, reports, manuals, State Historic Preservation Plan, annual application and informational literature, are allowable. Publication costs of reports or other media relating to HPF grant program accomplishments or results are allowable when provided for in the grant agreement and such costs meet the criteria of B.41, below (see also B.32).

38. Procurement service. The cost of procurement service, including solicitation of bids, preparation and award of contracts, and all phases of contract administration in providing goods, facilities and services for the grant program, is allowable.

* 39. Professional and consultant service costs.

a. Costs of professional and consultant services are allowable subject to the provisions of Chapter 5 (especially General Conditions 7 and 9), provisions of this Manual, applicable Federal, State and local laws; and subject to the subsections below, when reasonable in relation to the services rendered, and when not contingent upon recovery of the costs from the Government (i.e., a prohibition against contingent fees).

b. Factors to be considered in determining the allowability of costs in a particular case include:

1) The nature and scope of the service rendered in relation to the service required;

2) The necessity of contracting for the service, considering the grantee organization's capability in a particular area;

3) The impact of HPF grants on the grantee organization (i.e., what new problems have arisen);

4) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-government contracts and grants; and

5) The adequacy of the contractual agreement for the service (i.e., description of the service and products to be provided, estimate of time required, rate of compensation, and termination provisions).

In addition to these factors, retainer fees, to be allowable, must be reasonably supported by evidence of services actually rendered.

c. Costs of legal, accounting, and consulting services, and related costs incurred in the prosecution of claims against the Government are unallowable. (See D.37.)

d. Written agreements shall be executed between the parties which detail the responsibilities, standards, and fees (see Chapter 5, Condition 9).

e. Compensation for consultants. No person employed as a consultant, or by a firm providing consultant services, shall receive more than a reasonable rate of compensation for personal services paid with HPF funds, or when such services are contributed as nonfederal share. This rate shall not exceed the maximum daily rate of compensation for a GS-18 position in the Federal Civil Service, as established by law.

Adjustments of rates of compensation and payments allowable under consultant contracts may be made by NPS where audit and monitoring reviews indicate that the rates of compensation were not reasonable or exceeded the maximum daily rate for a GS-18 in the Federal Service (as of January 1985, this limit is $68,700 divided by 260 working days, or $264 per day).

f. For nonprofit grantees, also see OMB Circular A-122, item 34.

* 40. Protective Devices. Costs of burglar and fire alarm systems and other protective devices or protective measures for development projects are allowable.

41. Public information services costs. Public information services costs include the costs associated with newsletters, pamphlets, news releases, films, videotapes, and other forms of HPF program-related information services.

a. Allowable costs are those normally incurred to:

1) Inform or instruct individuals, groups, or the general public about statewide and local historic preservation accomplishments, problems, and issues directly related to HPF grant-supported activities;

2) Interest individuals and organizations in participating in HPF grant-supported programs of the grantee and the achievement of NPS approved work program objectives;

3) Provide necessary stewardship reports to State and local government agencies, contributing organizations, and the like;

4) Disseminate the results of grantee-sponsored activities to preservation professionals, interested organizations, and the general public.

b. Publication services costs necessary to comply with grant-supported program or project requirements, such as completion reports, publications undertaken at the written direction of NPS, as well as other publications necessary for grant-assisted program administration (see B.37) are allowable.

c. Within the foregoing parameters, public information services which (1) are not directly related to NPS approved activities, or (2) are costs related to fundraising appeals are unallowable. Public information costs are allowable as direct costs only. For nonprofit organizations, see OMB Circular A-122, item 36.

42. Publication and printing costs. See Chapter 3 for allowable costs. In addition, for nonprofit organizations, see OMB Circular A-122, item 37.

43. Recruiting costs. For nonprofit grantees, see OMB Circular A-122, item 40.

44. Relocation assistance. Costs of relocation assistance payments made under the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, are allowable. (See Chapter 21 for details and limits. In addition, for nonprofit organizations, see OMB Circular A-122, item 41.)

45. Rental costs. For nonprofit grantees, see OMB Circular A -122, item 42.

* 46. Research. Costs of historical, architectural, and archeological research necessary for project accomplishment are allowable. Purely archival research is unallowable (see D. 1).

47. Review boards. Costs incurred by State review boards or committees established pursuant to NPS requirements to carry out the grant program are allowable. Members of the State review board may receive

subsistence, travel allowances, and compensation while serving on the business of the review board, in accordance with State law, regulations, and practices applicable to persons performing comparable duties and services for the State. (Certain unallowable expenses are specifically listed in Chapter 14, Matching Share.)

48. Royalties and other costs for use of patents and copyrights. See Chapters 16 and 20. In addition, for nonprofit grantees, refer to OMB Circular A-110 and Circular A-122, item 43.

49. Severance Pay. For nonprofit grantees, refer to OMB Circular A-122, item 44.

* 50. Signs. Costs of signs acknowledging HPF assistance at project sites are allowable.

51. Specialized service facilities. For nonprofit grantees, see Circular A-122, item 45.

52. Taxes. In general, taxes or payments in lieu of taxes which the grantee agency is legally required to pay are allowable. In no case are Federal income taxes an allowable grant cost. In addition, for nonprofit grantees, refer to OMB Circular A-122, item 46.

53. Termination cost. For nonprofit grantees, see OMB Circular A-122, item 47.

54. Training and education. The cost of in-service training, customarily provided for employee development which directly or indirectly benefits grant programs is allowable. Out-of-service training involving extended periods of time is allowable only when specifically authorized by NPS. For nonprofit grantees, see OMB Circular A-122, item 48.

55. Transportation. Costs incurred for freight, cartage, express postage, and other transportation costs relating to goods either purchased, delivered, or moved from one location to another are allowable when necessary for and directly related to the HPF grant program. For nonprofit grantees, see OMB Circular A-122, item 49.

56. Travel. Travel costs are allowable for expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business incident to the HPF grant program. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in nonfederally sponsored activities. The difference in cost between first-class air accommodations and less-than-first-class accommodations is unallowable except when less-than-first-class accommodations are not reasonably available. Foreign travel costs are allowable only with prior written approval of NPS (see C.5). Notwithstanding the provisions of subsections D.18

and D.25 below, travel costs of officials covered by those subsections, when specifically and directly related to the HPF grant program, are allowable with the prior written authorization of NPS. For nonprofit grantees, see OMB Circular A-122, item 50.

C. Costs Allowable with Approval of NPS.

1. Automatic data processing. The cost of data processing services to the HPF grant program is allowable. This cost may include rental of equipment or depreciation on grantee-owned equipment. The acquisition of equipment, whether by outright purchase, rental-purchase agreement, or other method of purchase is allowable only upon specific prior approval of NPS as provided under the selected item for capital expenditures (see C.3).

2. Building space and related facilities. The cost of office space in privately or publicly owned buildings used for the benefit of the grant program is allowable subject to the conditions stated below. The total cost of space, in a privately or publicly owned building, may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality. The cost of space procured for grant progam usage may not be charged to the program for periods of nonoccupancy without authorization of NPS.

   a. Rental cost. The rental cost of space in a privately owned building is allowable. Similar costs for publicly owned buildings newly occupied on or after October 1, 1980, are allowable where "rental rate" systems, or equivalent systems that adequately reflect actual costs, are employed. (Such charges must be determined based on the useful life of the building, interest paid or accrued, operation and maintenance, and other allowable costs.) Where these costs are included in rental charges, they may not be charged elsewhere. No costs will be included for purchases or construction that were originally financed by the Federal Government. For non-profit organizations, see OMB Circular A-122, item 42.

   b. Maintenance and operation. The cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs and alterations and the like, are allowable to the extent they are not otherwise included in rental or other charges for space, such as use charges (see B. 12).

   c. Rearrangements and alterations. Costs incurred for extraordinary rearrangements and alteration of facilities required specifically for the grant program or those that materially increase the value or useful life of the facilities (see C. 3) are allowable when specifically approved by NPS.

   d. Depreciation and use allowances on publicly owned office buildings. These costs are allowable as provided in Section B. 12.

e. Occupancy of space under rental-purchase or a lease with option-to-purchase agreement. The cost of space procured under such arrangements is allowable when specifically approved by NPS.

3. Capital expenditures. The cost of facilities, equipment, other capital assets, and repairs which materially increase the value or useful life of capital assets is allowable when such procurement is specifically justified in writing and specifically approved in writing by NPS. When assets acquired with HPF grant funds are sold, no longer available for use in the NPS-sponsored program, or used for purposes not authorized by NPS, the NPS equity in the assets will be refunded in the same proportion as Federal participation in its cost. In case any assets are traded on new items, only the net cost after trade-in allowances of the newly acquired assets is allowable.

4. Equipment. Articles with a unit cost of more than $300 and a useful life of more than 1 year are allowable when specifically approved by NPS as a direct cost (see B. 17 regarding articles costing less than $300). For nonprofit grantees, in accordance with OMB Circular A-122, the unit cost threshold is $1,000 per item.

* 5. Foreign travel. Foreign travel costs are allowable only when the travel has received specific prior written approval from NPS. Each separate foreign trip must be specifically approved and justified on the basis of direct benefits to the HPF grant program. For purposes of this provision, foreign travel is defined as "any travel outside of Canada and the United States and its territories and possessions."

6. Insurance and indemnification.

   a. Costs of hazard and liability insurance to cover personnel or property directly connected with the HPF-assisted program or project site required or approved and maintained pursuant to the grant agreement are allowable during the grant period.

   b. Costs of other insurance in connection with the general conduct of activities are allowable subject to the following limitations:

      1) Types and extent and cost of coverage must be in accordance with general State government policy and sound business practice.

      2) Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property are not allowable except when specifically required or approved by NPS.

   c. Contributions to a reserve for a self-insurance program approved by NPS are allowable to the extent that the type of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased to cover the risks.

d. Actual losses which could have been covered by permissible insurance (through an approved self-insurance program or otherwise) are unallowable unless expressly provided for in the grant agreement. However, costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice, minor losses not covered by insurance, such as spoilage, breakage, and disappearance of small hand tools which occur in the ordinary course of operations, are allowable.

e. Indemnification. Includes securing the grantee against liabilities to third persons and other losses not compensated by insurance or otherwise. The Government is obligated to indemnify the grantee only to the extent expressly provided for in the grant agreement, except as provided in 6.d.

f. For nonprofit organizations, see Insurance and Indemnification, B.22.

7. Management studies. The cost of management studies by the grantee agency to improve the effectiveness and efficiency of grant management for ongoing grant programs is allowable. The cost of studies performed by agencies other than the grantee department or by outside consultants is allowable only when authorized by NPS.

* 8. Organization costs. Expenditures, such as incorporation fees, broker's fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselors, whether or not employees of the grantee organization, in connection with establishment or reorganization of an organization, are unallowable except with prior NPS approval. (Nonprofit organizations, see D.34.)

9. Overtime, extra-pay shift, and multiple premiums. For nonprofit grantees, see OMB Circular A-122, item 27.

10. Participant support costs. For nonprofit grantees, see OMB Circular A-122, item 29.

11. Preagreement (preaward) costs. Costs incurred prior to the effective date of the grant award, whether or not they would have been allowable if incurred after such date, are allowable only with prior written approval of NPS and when specifically provided for in the grant agreement. See additional requirements for nonprofit grantees in OMB Circular A-122, item 33.

12. Proposal costs.

a. Costs of preparing proposals on potential Federal Government grant agreements are allowable when specifically provided for in the grant agreement.

b. Costs incurred by grantees in complying with Executive Order 12372, Intergovernmental Review of Federal Programs (formerly OMB Circular A-95) are allowable when provided for in the grant agreement.

* 13. Revolving fund costs. The costs of planned financial assistance by a grantee through a revolving fund mechanism are unallowable except with prior written NPS approval.

D. Unallowable Costs.

* 1. Archival research. Costs of purely archival research are unallowable.

* 2. Acquisition of previously assisted properties. Costs of an acquisition of real property which has previously received HPF assistance for development (or acquisition) are not allowable during the term of the covenant or preservation agreement.

* 3. Archeological salvage. Costs of salvage archeology (data recovery) unrelated to increasing an understanding of a National Register property are unallowable, but see Chapter 6, Sections E.6 and E.8.d.1).

4. Bad debts. Any losses arising from uncollectable accounts and other claims, and related collection costs, are unallowable.

5. Bonus payments. Bonus payments of any kind are unallowable.

* 6. Certified Historic Structures. Unless otherwise stipulated by Federal legislation or expressly stated in NPS implementation instructions, grantees may not provide HPF development assistance for projects which have been accorded Federal preservation tax benefits for that same work. Similarly, HPF development grant assistance used for any portion of a building by an owner and/or lessee precludes that owner and/or lessee from obtaining the Federal tax incentives for historic preservation contained in the Internal Revenue Code of 1954 for that portion of the building under the Tax Reform Act of 1976, the Revenue Act of 1978, and/or the Economic Recovery Tax Act of 1981.

* 7. Churches and church-owned property. Direct HPF grant assistance to active churches is unallowable. (Refer to Chapter 6, Section D.5.)

* 8. Conditional donations. Any donation or contribution containing a reversionary provision to the donor which can be exercised during the term of the covenant is not eligible as matching share.

9. Contingencies. Contributions to a contingency reserve or any similar provision for unforeseen events are unallowable.

10. Contributions and donations.

    a. Charitable contributions and donations of grant funds are unallowable.

    b. The value of services donated by employees or other persons paid with HPF grant funds or other Federal funds is unallowable.

    c. Donated goods (i.e., expendable personal property/supplies and donated use of space) may be furnished to a grantee, subgrantee, or grant-supported contractor. The value of the goods and space is not reimbursable as a direct or indirect cost. The value of the donations may be used to meet matching share requirements under the conditions described in Chapter 14. The value of the donations shall be determined in accordance with Chapter 14.

    d. For nonprofit grantees, contributions and donations of grant funds to others are unallowable. (See OMB Circular A-122, item 8, and see discussion of donations in A-122, item 10.)

* 11. Curation. Costs of curation or exhibition of artifacts or other materials after the project end date are unallowable.

12. Damage judgments. Damage judgments arising out of acquisition, construction, or equipping of a grant-assisted program or project site, whether determined by judicial decision or arbitration or otherwise, are unallowable grant costs.

13. Entertainment. Costs of amusements, social activities, and related incidental costs such as meals, beverages, lodgings, rentals, transportation, and gratuities are unallowable. For nonprofit grantees, see OMB Circular A-122, item 12.

14. Equipment. Equipment and other capital expenditures are unallowable as indirect costs. However, see B.12 for the allowability of use allowances or depreciation on buildings, capital improvement, and equipment.

* 15. Federal properties. Costs related to federally owned properties are not eligible for HPF assistance. Note that the Consolidated Rail Corporation is not an instrumentality of the Federal Government and is therefore eligible for grant assistance (see 45 USC 741b).

16. Fines and penalties. Costs resulting from violations of, or failure to comply with, Federal, State, and local laws and regulations are unallowable. For nonprofit grantees, see OMB Circular A-122, item 14.

17. Fundraising. Expenses and costs of organized fundraising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions are unallowable. For nonprofit grantees, see OMB Circular A-122, item 19 for other unallowable fundraising costs.

18. Governor's expenses. The salaries and expenses of the Office of the Governor of a State or the chief executive of a political subdivision are considered a cost of general State or local government and are unallowable. (However, for a federally recognized Indian tribal government, only that portion of the salaries and expenses of the office of the chief executive that is a cost of general government is unallowable. The portion of salaries and expenses directly attributable to managing and operating programs by the chief executive and his staff is allowable. The allowable portion shall be determined by the Federal cognizant agency and the Indian government representatives on a reasonable basis.)

* 19. HABS/HAER costs for Federal supervision. Payments of HPF grant funds to Federal officials supervising or otherwise administering HABS/HAER projects are not allowable. (Also see Chapter 6, Section E.11.g.)

20. Idle facilities and idle capacity. For nonprofit grantees, the provisions of OMB Circular A-122, item 16, are applicable.

21. Investment management costs. For nonprofit grantees, costs of investment counsel, and staff and similar expenses incurred solely to enhance income from investments are unallowable grant costs. (See OMB Circular A-122, item 19.)

* 22. Indirect costs to individuals. Indirect costs to individuals under grantee-awarded subgrants and contracts are not allowable.

23. Interest and other financial costs. Interest on borrowings (such as mortgages or other loans, however represented), bond discounts, points, costs of financing and refinancing operations, mortgage insurance, credit reports, and legal and professional fees paid in connection therewith are unallowable, except when authorized by Federal legislation and except as provided for in Section C.2.a. of this Chapter. For nonprofit organizations, costs incurred for interest on borrowed capital or temporary use of endowment funds, however represented, are unallowable (see OMB Circular A-122, item 19).

    Payment of interest penalties for late payment of bills to contractors is prohibited by the Prompt Payment Act (P.L. 97-177). The act specifies:

    > "(A) in no case shall an obligation to pay such interest penalties be construed to be an obligation of the United States, and
    >
    > "(B) any payment of such interest penalties shall not be made from funds provided to the grant recipient by a Federal agency, nor shall any non-Federal funds expended for such interest penalties be counted toward any matching requirement applicable to that grant."

* 24. Interpretive expenses. Interpretive expenses, such as staff salaries or maintenance of interpretive devices (with the exception of purchase and installation costs for such devices in accordance with B.23) are unallowable.

25. Legislative expenses. Salaries and other expenses of the State legislature or similar local governmental bodies such as county supervisors, city councils, school boards, etc., whether incurred for purposes of legislation or executive direction, are unallowable.

26. Lobbying. Costs associated with activities or any form of communication designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation are unallowable (see Chapter 5, condition 27).

For nonprofit organizations, the following provisions were issued on April 27, 1984, as a revision to OMB Circular A-122:

a. Notwithstanding other provisions of Circular A-122, costs associated with the following activities are unallowable:

1) Attempts to influence the outcomes of any Federal, State, or local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activity;

2) Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections;

3) Any attempt to influence: (i) The introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation through communication with any member or employee of the Congress or State legislature (including efforts to influence State or local officials to engage in similar lobbying activity), or with any government official or employee in connection with a decision to sign or veto enrolled legislation;

4) Any attempt to influence: (i) The introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation by preparing, distributing or using publicity or propaganda, or by urging members of the general public or any segment thereof to contribute to or participate in any mass demonstration, march, rally, fundraising drive, lobbying campaign or letter writing or telephone campaign; or

5) Legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect

of legislation, when such activities are carried on in support of or in knowing preparation for an effort to engage in unallowable lobbying.

b. The following activities are excepted from the coverage of paragraph a:

1) Providing a technical and factual presentation of information on a topic directly related to the performance of a grant, contract or other agreement through hearing testimony, statements or letters to the Congress or a State legislature, or subdivision, member, or cognizant staff member thereof, in response to a documented request (including a Congressional Record notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the recipient member, legislative body or subdivision, or a cognizant staff member thereof; provided such information is readily obtainable and can be readily put in deliverable form; and further provided that costs under this section for travel, lodging or meals are unallowable unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearing.

2) Any lobbying made unallowable by section a.(3) to influence State legislation in order to directly reduce the cost, or to avoid material impairment of the organization's authority to perform the grant, contract, or other agreement.

3) Any activity specifically authorized by statute to be undertaken with funds from the grant, contract, or other agreement.

c. 1) When an organization seeks reimbursement for indirect costs, total lobbying costs shall be separately identified in the indirect cost rate proposal, and thereafter treated as other unallowable activity costs in accordance with the procedures of paragraph B.3 of Attachment A of OMB Circular A-122.

2) Organizations shall submit as part of their annual indirect cost rate proposal a certification that the requirements and standards of this paragraph have been complied with.

3) Organizations shall maintain adequate records to demonstrate that the determination of costs as being allowable or unallowable pursuant to paragraph B.21 of Attachment A of OMB Circular A-122 complies with the requirements of that Circular.

4) Time logs, calendars, or similar records documenting the portion of an employee's time that is treated as an indirect cost shall not be required for the purposes of complying with

subparagraph c. and in the absence of such records which are not kept pursuant to the discretion of the grantee or contractor, will not serve as a basis for disallowing claims of allowable costs by contesting estimates of unallowable lobbying time spent by employees during any calendar month unless: (i) The employee engages in lobbying, as defined in subparagraphs a. and b., more than 25% of his compensated hours of employment during that calendar month; or (ii) the organization has materially misstated allowable or unallowable costs within the preceding five year period.

5) Agencies shall establish procedures for resolving in advance, in consultation with OMB, any significant questions or disagreements concerning the interpretation or application of these requirements. Any such advance resolution shall be binding in any subsequent settlements, audits, or investigations with respect to that grant or contract for purposes of interpretation of this Circular; provided, however, that this shall not be construed to prevent a contractor or grantee from contesting the lawfulness of such a determination.

27. Losses on other awards. For nonprofit grantees, see Circular A-122, item 21.

* 28. Maintenance and administration. Costs of ongoing maintenance and administration of properties following HPF grant assistance are not allowable, in accordance with Section 102(a)(5) of the Act, as amended. (This prohibition is not applicable to the National Trust.)

* 29. Meals. Costs of meals for grantee employees or Review Board members, including any oversight or advisory boards, are unallowable except when such persons are on travel status in conjunction with activities eligible for HPF assistance.

* 30. Mitigation Expenses. Costs of mitigation activities performed as a condition or pre-condition for obtaining a Federal permit or license or funding by other Federal programs are not allowable.

* 31. Museums. Costs of museum exhibits, museum staff salaries, and other museum administrative expenses, including maintenance, are unallowable. (See B.18.)

* 32. National Conference of State Historic Preservation Officers. Historic Preservation Fund monies contributed to the National Conference of State Historic Preservation Offices are unallowable.

* 33. Nonconformance with applicable Secretary of the Interior's Standards. Work performed under grants, subgrants, or other contractual arrangements that do not conform to the applicable Secretary's Standards are unallowable costs.

34. Organization costs. For nonprofit grantees, see OMB Circular A-122, item 26.

35. Overdrafts or deficits. Bank charges for overdrafts or deficits are unallowable.

36. Profits and losses on disposition of depreciable property or other capital assets. For nonprofit grantees, see OMB Circular A-122, item 35.

* 37. Prohibition on compensating intervenors. Compensation to any person intervening in any proceeding under the Act is unallowable (Section 101(e)). See B.26.

* 38. Purchase price. Purchase price is not allowable as an eligible development project cost. (Note: It is an allowable cost for an acquisition project because it is a direct and necessary contribution to achieve acquisition project purposes.)

39. Taxes. Taxes or tax penalties which the organization involved would not have been liable to pay under prudent management are unallowable. This includes payroll tax penalties or interest paid on late taxes.

40. Underrecovery of cost under grant agreements. Any excess cost not covered by the Federal contribution under one grant agreement is unallowable as a cost under any other Federal agreement. This includes, but is not limited to, the grantee's contributed portion of cost sharing agreements, or any underrecoveries through negotiation of lump sum for, or ceilings on, indirect costs.

## OPTIONAL METHOD OF COMPUTING EQUIPMENT USE COSTS

To alleviate the difficulties encountered by certain local governments in attempting to provide adequate cost data to support their equipment use reimbursement claims under Federal grants, the option described below may be used. This option does not constitute a departure from the fundamental cost principles of OMB Circular A-87. Rather, it should be regarded as interpreting and clarifying those principles to provide needed flexibility in determining which constitutes an acceptable approximation of actual costs.

The development of local government equipment use rates is preferred and encouraged, especially if equipment acquisition costs are significant. However, certain subgrantees, especially local governments, contend that their accounting systems while adequate for most purposes, lack the features necessary to document satisfactorily their equipment use cost for the purpose of claiming reimbursement from grantor agencies. Equipment use costs include depreciation, operation, and maintenance and repair costs. These subgrantees are concerned that the cost of developing use rates for each applicable entity is prohibitive, especially at the local level. Therefore, they have requested the option of utilizing a simpler method of computing equipment use costs.

Local government subgrantees may use State highway department rates, adjusted as explained below, unless local accounting records show that materially lower rates can be developed, in which case locally developed rates must be used instead of State highway department rates.

When highway department rates are used, they must be adjusted to eliminate depreciation on any equipment (a) donated by the Federal Government, (b) considered to be fully depreciated, or (c) purchased directly or indirectly with Federal funds, irrespective of where title was originally vested or where title currently resides.

Whether or not highway department rates are used, subgrant recipients must have certain minimum records to support their reimbursement claims. These must include:

a. Records of actual use of the equipment, i.e., number of hours, miles, or other measurement factor, against which the per hour, per mile, or other measurement unit rate is to be applied; and

b. Records showing the age of the equipment and the source of acquisition, i.e., purchased, donated by the Federal Government, State government, or other source.

The use charges must be based on Federal Highway Administration approved rates applicable for the period of local equipment use.

It will be necessary for the States to arrange for their highway departments to provide rates (with and without depreciation) to their local governments.

This option may be used by subgrantee agencies for whom the cost of developing local equipment use rates would be prohibitive, subject to review and possible disapproval by grantee (SHPO) agencies or NPS.

# MATCHING SHARE

A. Purpose and Scope. This Chapter sets forth the criteria and procedures for the allowability and evaluation of cash and in-kind contributions made by grantees and their subgrantees and subcontractors in satisfying matching share requirements in accordance with OMB Circulars A-87, A-102 (Attachment F) for States, and Circulars A-122 and A-110 (Attachment E) for the National Trust.

B. Definitions.

1. Cash contributions. Cash contributions represent the grantee's cash outlay, including the outlay of money contributed to the grantee by nonfederal third parties. Unless authorized by Federal legislation, outlays charged to other Federal grants or to Federal contracts or funds received from other Federal grants shall not be used as part of the grantees' cash contribution except as specified in Section M of this Chapter.

2. In-kind contributions. In-kind contributions represent the value of noncash contributions provided by the grantee or nonfederal third parties. Only when authorized by Federal legislation may property purchased with Federal funds be considered as the grantee's in-kind contribution. In-kind contributions may consist of charges for real property, nonexpendable personal property, and the value of goods and services directly benefiting and specifically identifiable to approved objectives of the grant-supported program.

3. Grant costs. Grant costs are the sum of the allowable costs (as set forth in the applicable Federal cost principles, and Chapters 12 and 13) incurred by the grantee and the values of the cash or allowable in-kind contributions made by the grantee or third parties in lieu of cash to accomplish the objectives of the grant (or subgrant) agreement during the grant period.

4. Grant period. The grant period is the span of time stipulated in the grant agreement, usually 12 months, during which all nonfederal share is contributed and during which all work to be accomplished under the terms of the agreement must be completed (but see the exceptions described in this Chapter).

5. Matching share. In general, matching share (or "cost sharing") represents that portion of total project or program costs not borne by the Federal Government.

C. Basic Guidelines.

1. Matching share may consist of:

   a. Charges incurred by the grantee as costs during the grant period. (Not all charges require cash outlays by the grantee during the approved grant period. Examples are depreciation and use allowances for buildings and equipment.);

   b. Costs financed with cash contributed or donated to the grantee by other nonfederal third parties, including other public agencies, institutions, and private organizations and individuals;

   c. Costs represented by services and real and personal property, or use of these, contributed or donated by nonfederal third parties during the grant period. Where in-kind contributions are made by the Federal Government, they may be included in the grantee's matching share only if Federal legislation authorizes such inclusion.

2. All contributions, whether cash or in-kind (including in-kind contributions from third parties) will be accepted as an eligible part of the grantee's matching share when such contributions meet all of the following criteria:

   a. Are verifiable from the grantee's records;

   b. Are not included as matching contributions for any other federally assisted program or any Federal contract (i.e., are not double counted);

   c. Are necessary and reasonable for proper and efficient accomplishment of approved grant objectives;

   d. Are incurred and contributed within the grant period;

   e. Are types of costs which are allowable under the applicable Federal cost principles (Chapter 12) as well as the provisions of Chapter 13;

   f. Are not paid by the Federal Government directly or indirectly under another assistance agreement unless authorized by Federal law to be used for cost sharing or matching (see Section M of this chapter);

   g. Are provided for in the approved grant agreement; and

   h. Conform to other provisions of this Manual.

D. Allowability. General principles for establishing the allowability of matching share are as follows:

1. Although NPS prefers and encourages grantees to make required contributions in cash (or its equivalent, State or local governmental appropriated funds), either cash or in-kind contributions of goods, property, services, or combinations of these, can qualify for and meet matching share requirements when the criteria of Section C (above) are met and the contribution is made during the grant period. Cash contributions by grantees or third parties applied as matching share are to be treated exactly like Federal grant funds.

2. In-kind contributions must be fairly valued and must be of such nature that, if the Federal share had been used to pay for the contribution, the grantee would have incurred an allowable cost. In-kind contributions are eligible only to the extent that they represent actual necessary costs for which Federal funds could be applied for project or program objectives. Any grant funds applied in excess of actual cost would constitute an unallowable profit to the grantee or subgrantee. (See Chapter 12, Section C.5.c.)

3. Following grant approval, nonfederal share contributions of cash will be recorded as they occur. All in-kind contributions, including those applicable to subgrantees or subcontractors, must be recorded in the ledger accounts as grant costs when the in-kind services or goods are performed or received. Records, including required supporting documentation, of in-kind services performed or goods received must be maintained on a current basis. (Note: After-the-fact certification for personnel costs contributed by University subgrantees is allowable if documentation is prepared in accordance with OMB Circular A-21, Section J.6. See Chapter 12.)

4. While nonfederal share contributions need not be made in exact time concurrence and proportion with withdrawal and expenditure of Federal funds, the full grantee matching share must be contributed by the end of each 12-month grant period, or of any stipulated NPS-approved grant period. During the first months of grant operation, grantees are authorized to expend a greater proportion of matching Federal funds to meet grant-related expenses than is required by the applicable statutory ratio.

5. In accordance with Section 601 of P.L. 96-205 (48 U.S.C. 1469a), the Insular Areas (American Samoa, Guam, Commonwealth of the Northern Mariana Islands, Trust Territory of the Pacific Islands, and the Virgin Islands) are not required to contribute nonfederal share for HPF grants obligated after March 12, 1980.

6. In accordance with Section 102(a)(3) of the Act, HPF grants must be matched at a 50-percent rate except that survey and inventory work (as defined in Chapter 3, Section D.5.(a)) requires only a 30-percent nonfederal share. Grantees may choose to contribute matching share in excess of these minimum required percentages as part of the grant application. (All costs included in the approved grant agreement are subject to audit.) Each subgrant need not be matched on a 50-50 basis (or a 70-30 basis for the Survey and Inventory component) as long as the total grant to the State is matched at the required rate during each 12-month grant period.

    a. The nonfederal share is subject to audit, as is the Federal share.

    b. Documentation of the basis for applying allowable indirect cost rates as matching share is discussed in Chapter 12 of this Manual.

c. The basis for determining the matching share charges for personal services, material, equipment, buildings, and land must be documented (including indirect costs applied to grant costs).

d. Matching share for multi-resource projects involving several contributing properties within historic districts must be directly related to the grantee's proposed grant work and must meet all the requirements of this Chapter. Unrelated work or contributions for work outside the scope of eligible HPF-assisted work does not qualify as matching share merely because it occurs within a historic district during the approved grant period.

## E. Timing of Contributions.

Matching share (as with costs borne by the Federal share) will not be allowable if contributed prior to the effective date of the grant award (refer to Chapter 13, item C.11), whether or not the cost would have been allowable if incurred after such date, with the following exceptions:

It is recognized that some costs must be incurred before an annual grant application or before an Informational Standard Form 424 can be submitted to NPS with the required descriptive and cost data. Therefore, for development work, the costs of site investigation and selection, site planning, feasibility studies, preliminary design, environmental assessment, preparation of cost estimates, construction drawings and specifications and similar items necessary for preparation of the application or Project Notification may be eligible for assistance, although incurred prior to NPS concurrence. These predevelopment costs must be detailed in either: 1) the grant application submitted to NPS with the line item, amount, and date these costs were incurred listed in a cover letter with the grant application when these costs are known at the time of the application; or 2) noted specifically in the Informational SF 424 by line item, amount, and date. NOTE: Pre-agreement costs must be specifically approved by NPS in writing.

## F. Relationship of Costs to Grant Period.

1. General. To be eligible for matching assistance, costs must have been incurred within the approved grant period, with the specific exceptions described above and elsewhere in this Chapter. NPS does not reimburse obligations regardless of when they are assumed; it reimburses eligible costs incurred during the NPS approved grant period. Costs incurred, or contributions of services made, or assets acquired prior to or subsequent to the grant period authorized by NPS, unless specified in the grant agreement, in an Informational 424 concurred in by NPS in writing, or in a subsequently approved amendment, are not allowable.

2. Development costs. Development (construction) costs are ordinarily first incurred at the start of actual physical work on the site (such as the clearing of ground, the beginning of construction of a building, or the delivery of material to the site), and continue

through the period the work is being done. Development costs are not ordinarily incurred at some earlier time when contracts are signed, funds obligated, or purchase orders issued, or at a later time when the ensuing bills are paid (but see Section E, above).

3. Acquisition costs. Since the transfer of ownership in real property can be a protracted process which differs under various State laws and grantee procedures, the relationship of acquisition costs to the grant period is separated into two elements: the date when the acquisition cost is incurred and the date when the cost is eligible for reimbursement. Acquisiton costs are incurred on the date when the earliest of any of the following transactions takes place:

   a. Grantee or subgrantee accepts deed, lease, or other appropriate conveyance; or

   b. Grantee or subgrantee makes full payment for the property.

   c. Grantee or subgrantee makes full payment to an escrow agent.

G. Valuation of Grantee In-kind Contributions. Grantee in-kind contributions will be valued at the grantee's actual costs in accordance with the principles for determining costs specified in Chapters 12 and 13.

H. Valuation of In-kind Contributions from Nonfederal Third Parties.

1. Valuation of volunteer services. Volunteer services may be furnished by professional and technical personel, consultants, and other skilled and unskilled labor. Volunteered services may be counted as matching share if they are an integral and necessary part of an approved program (but see Exclusions, Section N, below).

2. Rates for volunteer services.

   a. Each hour of volunteer service may be counted as nonfederal share if the service is an integral and necessary part of the approved work. Volunteer services charged to the NPS grant must be such as will make a meaningful and desirable contribution. Volunteers must possess the required qualifications in the skill or profession involved, and must actually perform that specific work.

   b. Rates claimed for volunteer services must be consistent with those regular rates paid for similar work in other activities of the State Government. In those instances in which the skills required for the HPF-assisted work are not found in the State Government, rates used must be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of services involved.

c. If a volunteer performs services outside his profession or trade, this volunteer time must be valued at the Federal minimum wage rate unless a higher rate can be documented as applicable and is approved by the SHPO. All such rates are subject to NPS field and audit review.

d. The use of volunteer services must be documented by the same methods used by the grantee, subgrantee, or other third party for its own employees, although stricter accountability standards may be agreed to by the grantee and third parties (see Section I, below).

3. Volunteers employed by other organizations. When an employer other than the grantee, a local government subgrantee, or an institution of higher education subgrantee furnishes the services of an employee, these services will be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead costs) provided these services are in the same skill for which the employee is normally paid.

4. Review board contributions.

a. Only to the extent that items of cost are allowable under State laws, regulations, and practices applicable to persons performing comparable duties and services, can review board contributions be applied as matching share (or as allowable costs).

b. Time spent by review or any other advisory board members which is directly related to the development, conduct, or administration of the grantee's Historic Preservation Fund grant program is allowable as a matching share contribution to the extent that the contributed time is spent solely in the members' capacity as board members and to the extent that all requirements of this Chapter are fulfilled. Time spent in meetings directly relating to approved program objectives which is chargeable as matching share must be documented by the agenda, minutes of the meeting, and separate time records for each volunteer (as with all other volunteered services). Travel time must be reasonable and meetings must be held in easily accessible places. Unreasonable or undocumented donations of time will be subject to audit review and possible adjustment or disallowance.

I. Required Supporting Documentation for Volunteer Services. All volunteer services claimed as nonfederal share must be substantiated by time cards or records that are signed by both the volunteer and his supervisor, as required for all other employees of the grantee or subgrantee. Such records must show the actual hours worked and the specific duties performed. The records should also indicate the basis for determining the rate of the volunteer's contributions, and such documentation must be available for audit (see suggested recordkeeping form at the end of this Chapter, and Chapter 13, item B.11, Compensation for personal services).

J. Valuation of Donated Expendable Personal Property. Expendable personal property includes such items as expendable equipment, office supplies, laboratory supplies, or workshop supplies. Values assessed to donated or contributed expendable personal property included as matching share must be reasonable and must not exceed the fair market value at the time of donation. The basis for determining the valuation must be documented and available for audit.

K. Valuation of Donated Nonexpendable Personal Property, Buildings and Land, or Use of These Types of Property.

1. General. As stipulated by OMB Circular A-102, Attachment F, the method used for charging matching share for donated nonexpendable property, buildings and land differs according to the purpose of the grant:

    a. If the purpose of the grant is to furnish equipment, buildings or land to the grantee or otherwise to provide a facility, the total value of the donated property may be claimed as matching share.

    b. If the purpose of the grant is to support activities that require the use of equipment, buildings or land on a temporary or part-time basis, depreciation or use charges for equipment and buildings may be made. The full value of equipment or other capital assets and fair rental charges for land may be made provided that NPS has approved the charges.

2. Valuation of donated nonexpendable personal property.

    a. The valuation of donated nonexpendable personal property shall not exceed the fair market value of equipment and property of the same age and condition at the time of donation.

    b. Donation of title. If the donor transfers title to the property, the amount allowable as matching share shall be determined as if the grantee had purchased the property and paid the fair market value of the property at the time of the transfer (see suggested recordkeeping form for donated material at the end of this Chapter).

    c. Donation for use. If only use of property is donated as a loan, the amount allowable as matching share shall be determined as if the grantee had rented the property and paid the fair rental value at the time of the donation. (See suggested recordkeeping form for equipment use at the end of this Chapter. Also see "Optional Method of Computing Equipment Use Costs", for local governments only, at the end of Chapter 13.)

3. Valuation of donated real property: buildings and land.

   a. General. The value of donated land and buildings may not exceed its fair market value at the time of donation to the grantee as established by an independent certified real property appraiser or GSA representatives and certified by a responsible official of the grantee (see Chapter 6, Exhibit 6-B, for appraisal requirements).

   b. Use of space. The value of donated space shall not exceed the fair rental value of space established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.

4. Donation by transfer of fee-simple title as matching share for development projects. This category is no longer allowable in accordance with OMB Circular A-102, Attachment F (see Section C, above and Section N, below).

5. Donation of less-than-appraised value of real property as matching share for acquisition of historic property.

   a. The difference between fair market value and the selling price will be allowable as matching share for an acquisition for the remainder purchase cost of that property if the owner willingly and knowingly sells the property for less than the appraised fair market value.

   b. The grantee must ensure that a legally sufficient arm's length relationship exists between the donor and the donee.

   c. When a partial donation of less than the full appraised market value of real property is applied as matching share, grantee records must fully document that the acquisition was conducted in compliance with the acquisition policies established by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1894, 42 USC 4601-4651, particularly the statement of just compensation (see Chapters 6 and 21).

6. Donation of a reserved life estate. This type of donation involves a gift with the condition that the real property be retained for the remainder of the donor's (or his/her immediate family's) life. While these benefits may also ensure the preservation of the property, no contribution in keeping with the requirements of OMB Circular A-102, Attachment F, and this Chapter is effected and no eligible matching share is created.

7. Preservation easement. A donation of a preservation easement does not involve transfer of fee title or ownership to the property; rather it involves an owner giving up some ownership rights to developing the property. The fair market value of a preservation

easement is the difference between the fair market value of the property before the grant of the easement and the fair market value of the property after the grant of the easement. HPF assistance may be used to purchase an easement as an acquisition activity. However, the donated value of an easement is not allowable as matching share.

8. Irrevocable long-term leases. As with a preservation easement, the value of the lease is not allowable as matching share.

9. Valuation of property contributed to the National Trust. The value of certain donated property is allowable to supplement cash matching share in accordance with the limited exception for the National Trust awarded by OMB by letter dated October 17, 1979, and the conditions stipulated by the Director, Heritage Conservation and Recreation Service, dated November 14, 1979.

L. Valuation of Other than Personal Service In-kind Contributions by Third Parties. Necessary in-kind contributions of material, equipment, buildings and land made by third parties specifically for and in direct benefit to the approved programs and projects will be acceptable as matching share at NPS discretion provided they conform to the provisions of this Chapter, the basis for determining charges for material, equipment, and land is adequately supported, and the contribution is permissible under the law. Such charges must be reasonable and properly documented as necessary to accomplish HPF-assisted activities.

M. Use of Federal Funds.

1. General prohibition. In general, costs borne directly or indirectly by the Federal Government under any Federal grant or contract awarded to a third party are not allowable for satisfying matching share requirements (see Section C.2, above). However, the statutory provisions of the Federal programs listed below allow the funds provided to be used as nonfederal matching share.

2. Exceptions. The funds derived from the following Federal programs may be applied as matching share for HPF grants-in-aid:

   a. Federal funds made available to Tribal organizations under grants pursuant to Section 104 of Public Law 93-638, the Indian Self-Determination and Education Assistance Act, provided the NPS grant contributes to the purposes of Section 104 (see 25 CFR 272-12). Grantees must justify the use of such funds in writing and NPS must approve their use as matching share prior to the award of the grant. (Grantees will be required to ensure that covenants and all other terms and conditions of NPS grants, including public access, can be enforced by the State as a precondition for work involving Indian Tribes as subgrantees, or for projects located on Indian lands.)

   b. Federal funds available under Section 105(a)(9) of the Housing and Community Development Act of 1974, Public Law 93-383, 42 USC

5305(a)(9), as amended (the Community Development Block Grant Program). Urban Development Action Grants (UDAG) are also eligible as matching share because their use as local matching share is authorized by this Act. (See 42 USC 5319; also see 24 CFR 570.201(g) and 24 CFR 570.200(b).) The provisions of the Davis-Bacon Act will apply if CDBG funds are used as matching share for an HPF grant.

c. Funds authorized by the State and Local Fiscal Assistance Amendments of 1976, as amended, Public Law 94-488 (31 USC 1221), the Revenue Sharing Program. Recipient governments can expend revenue sharing funds to match and obtain additional Federal funds if the budget to which these revenue sharing funds related was enacted after January 1, 1977. (Note: If 25 percent or more of the project costs are met by revenue sharing funds, the provisions of the Davis-Bacon Act will apply.)

3. Supplemental Funding. The statutory provisions of certain other Federal grant programs' legislation allow the use of their program funding to supplement HPF grants. In such instances grantees must identify the source of the funding, and, if the grant application is approved by NPS, the other Federal agency will transfer funds to NPS for administration by NPS. No more than 80 percent of total costs may be federally supported. These funds will be subject to all grant terms and conditions and all provisions of this Manual. The following may be used to supplement HPF grant assistance:

   a. Public Works and Economic Development Act of 1965 (P.L. 89-136), as amended by P.L. 91-123 and P.L. 94-487. Commonly known as Regional Commission Supplemental Grants. (See 13 CFR 560 *et. seq*. and 42 U.S.C. 3188a); and

   b. Appalachian Regional Development Act of 1965 (P.L. 89-4) as amended by P.L. 92-65, Section 214(a).

4. Grantee Reimbursements as Matching Share. After the Federal share of eligible HPF grant costs has been reimbursed to the State, these reimbursed funds may be treated as nonfederal in nature. The reimbursed funds may subsequently be used as nonfederal matching share if contributed for future HPF grant work.

N. Exclusions. The following items are not allowable matching share:

1. Services paid for under another Federal grant or contract may not be donated as matching share for NPS grants. Any cash or in-kind contribution used to match another Federal grant cannot be used again as matching share for NPS grant funds.

2. a. Volunteer work performed by full-time grantee staff members within the scope of the normal responsibilities of the position in excess of their working hours is not allowable as matching share (refer to Section G, above).

b. Part-time grantee staff may not donate more than 40 hours a week, less their paid employment. Such donations of services must be necessary and directly related to HPF grant-assisted work, be valued in accordance with Section H, and be documented in accordance with the provisions of Section I, above.

c. Consultants may donate services only if the employment contract specifies that the consultant is accepting less than his/her normal rate of pay and is explicitly donating the difference for the achievement of project work. Such donations must be documented in accordance with the provisions of this Chapter. A written statement of intention to donate the rate difference should be on file and available for audit.

3. The Comprehensive Employment and Training Act (CETA), Public Law 93-203, provides no express statutory authorization and therefore CETA funds are not eligible as matching share for Federal funds.

4. Federally guaranteed loans are not eligible as matching share for HPF grant funds because of the possibility of directly involving Federal funds in matching HPF monies should a default occur.

5. Students in a federally funded work/study or Federal student loan program cannot contribute donated services as matching share for an HPF grant.

6. Items such as legal advice which are normally provided to grantees by other State governmental units without charge are not allowable as matching share. (When these services are not normally provided without charge, the services may be eligible as matching share.)

7. Any cost incurred or contribution of services made, or assets acquired, prior to or subsequent to the grant period authorized by NPS, unless specified in the grant agreement, a subsequently approved amendment, or NPS-approved Informational SF 424 is not allowable as matching share.

8. Costs listed in Chapter 13 as unallowable costs are unallowable for matching share purposes. In particular, costs associated with securing a mortgage or borrowing funds are not allowable match, and costs of organized fundraising and expenses incurred to raise capital or obtain contributions are not allowable as matching share. Refer to Chapter 13 for cost items which are allowable only with written NPS approval.

9. Donated property as matching share for development work. OMB Circular A-102, Attachment F, requires all nonfederal share contributions to be "necessary and reasonable for proper and efficient accomplishment of project objectives"; and requires that "values for grantee in-kind contributions will be established in accordance with OMB Circular A-87." Accordingly, donation of real property is not eligible nonfederal share for development work.

Title to the property is not necessary to perform development work and does not involve any cost sharing for the development work. (For the National Trust, see section K.9 of this Chapter.)

10. Any real property donation or contribution containing a reversionary provision to the donor which can be exercised during the term of the preservation covenant is not eligible as matching share.

O. Examples of forms. Exhibits A, B, and C provide examples of the kind of recordkeeping forms grantees should maintain to evaluate donated labor, material or equipment use. These are suggested models only; comparable formats would also serve for audit purposes.

EXHIBIT 14-A

# VALUE OF DONATED LABOR

## TIME SHEET

## HISTORIC PRESERVATION FUND

RETAIN FOR AUDIT

PROJECT NAME AND NUMBER

NAME OF PERSON CONTRIBUTING DONATED TIME

KIND OF WORK PERFORMED
(LABORER, PLUMBER, MASON, ETC)

HOURLY RATE - BASED ON

A person donating his time to a project will be paid as a general laborer unless he is professionally skilled in the work he is performing on the project (i.e., plumber doing work on pipes, mason doing work on a brick building). When this is the case, the wage rate this individual is normally paid for performing his service may be charged to the project. A general laborer's wages may be charged at the rate which the city or county in the immediate area pays its employees for performing similar duties.

| DATE | TIME OF WORK | | | | TOTAL WORK HOURS | HOURLY RATE | VALUE (DONATED HOURS X RATE) |
|---|---|---|---|---|---|---|---|
| | START | END | START | END | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | TOTAL VALUE OF DONATION | |

SIGNATURE REQUIRED VERIFYING RECORD

SIGNATURE OF PERSON DONATING TIME    DATE

SUPERVISOR VERIFYING ACCURACY    DATE

EXHIBIT 14-B

## VALUE OF DONATED EQUIPMENT USE

## HISTORIC PRESERVATION FUND

RETAIN FOR AUDIT

PROJECT NAME AND NUMBER

DONOR

VALUE OF DONATED MATERIAL

| DATE | TYPE & SIZE OF EQUIPMENT | TOTAL HOURS OF USE | HRLY. RATE FROM ATTACHED STATE HIGHWAY DEPT. USE RATE SCHED.. | VALUE OF DONATION (HRS. OF USE X HOURLY RATE) | EQUIPMENT OPERATOR'S SIGNATURE |
|---|---|---|---|---|---|
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| | | | | | |

TOTAL VALUE OF DONATION

VERIFYING OFFICIAL'S SIGNATURE

DATE

EXHIBIT 14-C

## VALUE OF DONATED MATERIAL

## HISTORIC PRESERVATION FUND

RETAIN FOR AUDIT

PROJECT NAME AND NUMBER

DONOR

| DESCRIPTION OF MATERIAL DONATED | DATE OF DONATION | FAIR VALUE | BASIS OF VALUE |
|---|---|---|---|
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TOTAL VALUE OF DONATION ______

VERIFYING OFFICIAL'S SIGNATURE

DATE

## AMENDMENTS AND BUDGET REVISIONS

A. Purpose. This Chapter sets forth requirements and procedures for reporting and requesting prior approval of post-award programmatic changes and budget revisions in accordance with OMB Circulars A-102, Attachment K (for States) and A-110, Attachment J (for the National Trust).

B. Applicability. The provisions of this Chapter apply to 1) the annual multi-purpose programmatic grant as a whole, whether awarded as an Annual Grant or as a Continuation Grant, and 2) subgrants, projects, and contracts awarded by the grantee with HPF assistance (see E.6, below). Any substantive revision in the NPS-approved grant application which served as the basis of the NPS-awarded Grant Agreement must be approved in writing by NPS prior to effecting the change. Any substantial alterations in individual project Informational SF 424s describing subgrant activity must be submitted to NPS prior to proceeding (see Sections C.3 and E. below).

An amendment may also be initiated by NPS to carry out administrative requirements such as deobligations of funds or changes in Federal appropriations, laws, or administrative regulations affecting NPS grants.

C. Prior Approval Procedures.

1. For grants. Requests for amendments and budget revisions shall be addressed to the NPS grant awarding official. Approvals shall not be valid unless they are in writing and signed by that official.

2. For subgrants. Grantees shall be responsible for reviewing and evaluating requests from their subgrantees, including Certified Local Governments, prior to submitting requests to NPS. A grantee shall not approve any action which is inconsistent with the purpose or terms of an HPF grant. If an action by a subgrantee will result in a change in the overall grant project or budget requiring NPS approval, the grantee shall obtain that approval before giving its approval to its subgrantee.

3. Timing. Within 20 calendar days from the date of receipt of a request for amendment approval, the NPS grant awarding official shall review the request and notify the grantee of the decision.

    a. For grant applications, if the request for approval is still under consideration by NPS at the end of 20 days, the grant awarding official shall inform the grantee in writing as to when a decision can be expected. This includes requests for approval of certain costs (see section D, below).

    b. For subgrant Project Notifications (Informational SF 424s), if NPS does not concur or notify the grantee of deficiencies requiring corrective action prior to the end of the 20-day review period, grantees may proceed with the amended subgrant. However, nonaction by NPS does not relieve the grantee of its responsibility to comply with the terms and conditions of the grant under which the subgrant was awarded.

EXCEPTIONS: Written NPS concurrence of the Project Notification is required for all subgrants, contracts, or projects affecting National Historic Landmarks. The 20-day review period is not applicable for National Historic Landmarks; however, NPS will attempt to meet the 20-day timeframe as closely as possible.

Written NPS approval must be obtained before incurring costs for proposed work requiring prior NPS approval, including preagreement costs. (See Chapter 13, Standards for Allowability of Costs.)

D. Relationship to Cost Principles. The cost principles specified in Chapter 13 of this Manual contain requirements for prior NPS approval of certain types of costs. These requirements apply to all grants and subgrants even though programmatic changes or budget revisions discussed below are not applicable. Written NPS approval must be obtained before incurring those costs specified in Chapter 13 that require NPS approval, including preagreement costs.

E. Programmatic and Budget Changes. After the annual or continuation grant application has been approved by NPS, grantees will request prior approval for grant and budget revisions whenever there is reason to believe that a revision will be necessary for the following reasons:

1. The revision results in a substantial change in the scope or the objective(s) of the HPF-supported program or project.

2. The revision involves the need for additional Federal funding.

3. The revision involves the transfer of amounts budgeted for indirect costs to absorb increases in direct costs (if required by stipulation in the Grant Agreement).

4. The revision pertains to the addition of items requiring NPS approval in accordance with Chapter 13 of this Manual.

5. The revision results in any fund or budget transfer between construction and nonconstruction work, or between 70/30 and 50/50 components funded under the same grant agreement (if stipulated by NPS in the grant agreement).

6. Except when explicitly included in the grant application as approved by NPS at the time of award, grantees shall request NPS concurrence prior to:

   a. Providing financial assistance to a third party by subgranting or any other means.

   b. Transferring to a third party, by contracting or any other means, the actual performance of the substantive programmatic work. The term "substantive programmatic work" means activities which are central to carrying out the purpose of the project, and not merely incidental. Transfer of substantive programmatic work does not include merely the purchase of supplies, materials, or equipment; or transfer of activities whose cost is treated as an indirect cost.

7. For subgrants, prior approval shall be requested whenever:

   a. A proposed revision results in changes in the scope of the project or program specified in the work/cost breakdown summarized in the Project Notification.

   b. The revision increases the budgeted amounts of Federal funds needed to complete the project.

   c. The revision involves cancellation of the project previously summarized in a Project Notification submitted to NPS. (Refer to Section H, carryover percentage limitations.)

F. Phased Projects. A separate Informational SF 424 must be submitted for each phase of a project subgrant financed with separate HPF grants. For example, a subgrant funded with the FY 1983/1984 grant (the 1984 portion is the Continuation Grant) must be completed within that period. Costs may not be charged to the grant after September 30, 1984. However, a new Informational SF 424, marked "Phase 2", can be submitted to continue work on that property using, for example, 1984/1985 grant funds. All phased projects should be keyed to the applicable HPF grant numbers to avoid audit questioned costs.

For phased projects, a new Informational SF 424 must be submitted for NPS concurrence in the regular manner before additional costs from a subsequent appropriation are incurred.

G. Required Staff and Effort.

1. When stipulated in the NPS grant agreement, the grantee shall obtain prior approval from the NPS grant awarding official:

   a. To continue the grant during any continuous period of more than 3 months without the active direction of a designated (or "Acting") State Historic Preservation Officer, required staff, or Review Board.

   b. To permit required professional staff to devote substantially less effort to the program specified in the grant application than was anticipated when the grant was awarded by NPS.

2. For subgrants, it is recommended that grantees make this provision applicable to the subgrant project director, principal investigator, or any other persons named and expressly identified as key project personnel in the subgrant award. Approval by NPS is not required.

H. Carryover Percentage Limitation. If an amendment involves the cancellation of a project in full or reduction of Federal share awarded to a previous subgrant such that the cancellation or reduction results in the grantee exceeding the 25 percent carryover limitation (see Chapter 3), this fact must be noted on the amendment request. An excessive increase in SHPO "in-house" expenses and an accompanying decrease in subgrant/contract commitments could result in a reduction in obligational authority by NPS if the 25 percent limit is exceeded because of the particular amendment or the cumulative effect of several amendments.

I. Documentation.

1. When requesting an amendment to the NPS-approved annual or continuation grant application, grantees will submit one SF 424 cover sheet, with the original signature of the SHPO or SHPO-authorized grantee official. Instructions for completion of the SF 424 are given in Chapter 7. Note that item 17 of the SF 424 should include entering either "C", "D", or "E." Item 12 should be left blank unless the Federal or nonfederal share of the program is being increased or decreased. The reason(s) for the requested changes must be specified in "Remarks", Section IV of the SF 424. The applicable Attachment A pages and grant budget forms as affected by the changes must be included; and each page marked "Amended" with the date of the amendment request.

2. For the prior approvals of costs required by Chapter 13 of this Manual, grantees may request NPS approval by letter.

3. For subgrants, grantees must submit a revised Project Notification (Informational SF 424), executed as in subsection 1. above, with the elements to be amended and the reasons for the amendment specified in "Remarks", Section IV of that form.

   a. A "change order" does not always require a change of scope substantial enough to require a project amendment. These must be treated on a case-by-case basis. The NPS grant awarding office should be consulted for guidance.

   b. Subject to limitations of Sections H and I of this Chapter, a grantee may unilaterally rescind any award prior to commencement of project work by submitting one Informational SF 424 executed in accordance with the instructions for that form, with an explanation of the reasons for the termination in "Remarks", Section IV. A project will be considered to be commenced when Federal funds have been disbursed to the project by the grantee.

   After project commencement, the project agreement may be partially terminated only by mutual agreement with NPS. See Chapter 26, Section D.4(c). The grantee will submit one Informational SF 424 executed in accordance with the instructions for that form, with an explanation of the reasons for the partial termination in "Remarks", Section IV. (Note: Only the amount of decrease should be entered in item 12.)

If a project is completed at a Federal share of costs less than the estimated maximum Federal share specified on the Informational SF 424, and the 24-month term of obligational authority of the applicable apportionment has not expired, the remaining funds can be reassigned by grantee amendment request to other eligible activity under the terms of the applicable NPS grant agreement until the end of the Continuation Grant period. To transfer funds to another existing subgrant:

1) Submit a revised Informational SF 424 completed as in subsection 1 above. (Only the amount of decrease should be entered in item 12.)

2) Submit a revised Informational SF 424 completed as in subsection 1 above, with an explanation of the reasons for the increase in "Remarks", Section IV. (Only the amount of increase, Federal and nonfederal share, if applicable, should be entered in item 12.) The "Remarks" section must also:

   --Identify the additional work elements to be undertaken with estimated costs;

   --State the source of the additional funds to be applied to the amendment; e.g., completion of another project under budget;

   --Specify donor, source, kind, and amount of additional nonfederal share. If none, so state.

J. Extensions of Time for Continuation Grants. No extensions of time to incur costs will be approved by NPS for Continuation Grants beyond the grant period provided in the NPS grant agreement. This applies to the multi-purpose program grant and projects undertaken in the program grant. Funds not expended for costs incurred during the Continuation Grant period will be deobligated in accordance with Section L, below. See Chapter 3 for details on Continuation Grants.

Note: An NPS-approved increase in the Federal share does not provide any additional time to complete proposed work, nor does it alter the period of obligational authority.

K. Authorized Funds Exceeding Needs. Grantees shall notify the grant awarding office promptly whenever the amount of grant or subgrant authorized funds is expected to exceed needs by more than $5,000 or 5 percent of the grant or subgrant, whichever is greater.

L. NPS-Initiated Reprogramming and Deobligations.

1. The Secretary may reduce the amount of Historic Preservation Fund monies to a grantee for the succeeding fiscal year by an amount equal to the amount of the prior year's apportionment unobligated or unpaid in accordance with procedures developed by NPS (see Chapter 3). If the grantee prefers, and at NPS discretion, unused prior year's funds can be deobligated by NPS instead of reducing the subsequent year's allocation of funds.

2. The National Park Service may, after written notice to the grantee, deobligate unbilled funds after the time period of a grant has expired.

## PROGRAM INCOME

A. Purpose. This Chapter sets forth policies and requirements relating to (a) program income and (b) interest and other investment income earned on advances of HPF grant funds. Its provisions are in accordance with OMB Circular A-102, Attachment E (for States) and Circular A-110, Attachment D (for the National Trust).

B. Policy.

1. Applicability. Program income (or grant-related income) means gross income earned by a grantee (or subgrantee or contractors) from activities of which part or all of the cost is either borne as a direct cost by a grant or counted as a direct cost towards meeting cost sharing or matching requirements of a grant. It includes, but is not limited to, such income in the form of fees for services performed during the grant or subgrant period, proceeds from the sale of tangible personal or real property, usage or rental fees, and patent or copyright royalties. If income meets this definition, it shall be considered program income regardless of the method used to calculate the amount paid to the recipient (whether, for example, by a cost-reimbursement method or a fixed price arrangement). Nor will the fact that the income is earned by the recipient from a Federal procurement contract under a Federal grant awarded to another party affect the income's classification as program income.

The following shall not be considered program income:

a. Revenues raised by a government recipient under its governing powers, such as taxes, special assessments, levies, and fines. (However, the receipt and expenditure of such revenues shall be recorded as part of a grant or subgrant project transactions when such revenues are specifically earmarked for the project in accordance with the terms of the grant or subgrant.)

b. Tuition and related fees received by an institution of higher education for a regularly offered course taught by an employee performing under a grant or subgrant.

For HPF grants, program income is divided into the categories described in Sections 2 through 7 below:

2. General program income.

a. Definition. General program income means all program income accruing to a grantee during the period of grant support or to a subgrantee during the period of subgrant support, other than the special categories of such income in Sections 3, 4, and 5 below.

b. Use. General program income shall be retained by the grantee or recipient and used with NPS approval (see Section B.8) in accordance with one or a combination of the following alternatives:

1) Deductive alternative. Under this alternative, the income is deducted from the total grant or project costs to arrive at net costs on which the Federal share of costs will be based. This alternative results in the same size program and unanticipated program income is used to reduce the Federal share and nonfederal share contributions (rather than increase the total funds committed to the grant or project). The income shall be used for current costs unless NPS authorizes deferral to a later period.

   To illustrate this alternative: Assume a project in which the grantee incurs $100,000 of allowable costs and receives no third-party in-kind or cash contributions. If the grantee earns $10,000 in general program income and this alternative is chosen, that $10,000 must be deducted from the $100,000 (resulting in $90,000 of total grant costs) before applying the maximum percentage of Federal participation. If the Federal participation is 50 percent, the most that could be paid to the grantee would be $45,000 (50 percent of $90,000).

2) Cost-sharing or matching alternative. Under this alternative, the income is used to finance the nonfederal share of allowable costs of the project or program when approved by NPS. This alternative results in the same size program and the grantee is allowed to use program income as part or all of its contribution towards project costs rather than having to contribute its share from its own resources. The Federal share percentage will remain the same as if there was no program income.

   To illustrate this alternative: Assume the same situation as in the preceding section. Under this alternative, the 50 percent maximum Federal percentage of participation would be applied to the full $100,000 and $50,000 could be paid to the grantee.

3) Additional costs alternative. Under this alternative, the income is used for costs which are in addition to the allowable costs of the project or program but which further eligible program objectives. This alternative is intended to result in a larger program than would otherwise have been operational. Examples of purposes for which the income may be used are:

   a) Expanding the project or program.
   b) Continuing the project or program after grant or subgrant support ends.
   c) Supporting other eligible projects or programs that further the objectives of the National Historic Preservation Act.
   d) Obtaining equipment or other assets needed for the project or program.

3. Program Income - Proceeds from the sale of real property and sale of equipment and supplies acquired for use. The following kinds of program income shall be treated in accordance with OMB Circular A-102, Attachment N, Property Management Standards (see Chapter 22):

   a. Proceeds from the sale of real property purchased or developed under a grant or subgrant intended for direct use in the subgrant project or program rather than for sale or rental.

   b. Proceeds from the sale of equipment and supplies fabricated or purchased under a grant or subgrant and intended for use in the grant- or subgrant-supported project or program rather than for sale or rental.

4. Program income - royalties and other income earned from a copyrighted work. This section applies to royalties, license fees, and other income earned from a copyrighted work developed under a grant or subgrant. This section applies whether a third party or the grantee itself acts as the publisher, seller, exhibitor, or performer of the copyrighted work. If the recipient of HPF assistance incurs costs to earn the income but does not charge these costs to HPF grant funds, to required matching funds, or to other program income, such costs may be deducted from the gross income in order to determine how much must be treated as program income.

   The terms of the grant govern the disposition of income subject to this section. Unless the grant terms treat this kind of income, there are no NPS requirements governing the disposition. A grantee is not prohibited from imposing its own requirements on the disposition of this type of program income which is earned by its subgrantees or contractors, provided those requirements are in addition to and not inconsistent with any requirements imposed by the terms of an HPF grant.

5. Program income - royalties or income earned from patents or from inventions. Unless the grant agreement provides otherwise, grantees will have no obligation to NPS with respect to royalties received as a result of patents or inventions arising out of activities assisted by HPF grants. (See OMB Circular A-102, Attachment N, paragraph 8, which is incorporated in Chapter 20).

6. Program income - income after grant or subgrant support not otherwise treated. This section applies to program income other than that treated above which arises from or is attributable to an activity while supported by an HPF grant or subgrant, but which does not accrue until after the period of grant or subgrant support has ended. One example is the proceeds from the sale or rental of a residual inventory of merchandise fabricated or purchased by a grant-supported workshop during the period of support.

   The terms of the grant govern the disposition of program income subject to this section. If the terms of the grant do not treat this kind of income, there are no NPS requirements governing the disposition. A grantee is not prohibited from imposing requirements of its own on the disposition of this kind of income which is earned by its subgrantees, provided those requirements are in addition to, and not inconsistent with, any requirements imposed by the terms of the HPF grant.

7. Interest earned on advances of grant funds.

   a. Except where exempted by Federal statute (see paragraph 7.c, below for the principal exception), the National Trust and all subgrantees of a State shall remit any interest or other investment income earned on advances of HPF grant funds. This includes any interest or investment income earned by subgrantees and contractors on advances to them that are attributable to advance of HPF grant funds to the grantee. Unless the grantee receives other instructions from the responsible NPS official the grantee shall remit the amount due by check or money order payable to: "Department of the Interior-NPS." The check or money order shall be submitted to the Collections Officer, Finance Division, National Park Service, P. O. Box 37127, Washington, D.C. 20013-7127.

   b. Interest earned by all subgrantees (including units of local government) on advances of HPF funds shall be remitted to NPS except for interest earned on advances to States as provided by the Intergovernmental Cooperation Act of 1968 (P.L. 90-577) and advances made to tribal organizations pursuant to Section 102, 103, or 104 of the Indian Self Determination and Education Assistance Act (P.L. 93-638).

   c. Interest earned on the investment of HPF grant funds will be reported on item 13a of the Report of Federal Cash Tranactions with the remittance noted on that form.

   d. Grantees are cautioned that they are subject to the provisions of Chapters 22 and 24 of this Manual for minimizing the time between the transfer of advances and their disbursement. These provisions apply even if there is no accountability to NPS for interest or other investment income earned on the advances, in order to minimize Federal borrowing.

8. Service Fees. States shall not charge a fee to recipients for any service or activity for which HPF grant assistance is available. This prohibition shall apply to all Program Areas including, but not limited to National Register nominations and tax certifications, whether or not a State chooses to apply available HPF assistance to a particular Program Area for which it wishes to charge fees. However,

this prohibition shall not prevent any owner of grant-assisted properties from charging a reasonable nondiscriminatory admission fee, comparable to fees charged at similar facilities in the area (see Covenant Requirements, Chapter 6).

NOTE: This prohibition does not apply to nominal fees charged for providing public access to existing program information (e.g., duplication/photocopying of existing documentation or publications, access to computer information, and other actions taken to respond to requests from the general public).

9. Application of program income for grant-related purposes. The grantee will elect any of the three alternatives specified in Section 2 if the terms and conditions of the grant do not specify which is to be followed. The grantee will request written approval of its proposed method of disposition from NPS at the time of grant application (in item 6 of the grant application) or by a program amendment. Failure to request and obtain written NPS approval of a proposed disposition method may result in audit questioned costs.

10. Reporting program income. Program income will be reported on the Report of Federal Cash Transactions, or on the Request for Advance or Reimbursement, in the reporting period in which it was accrued. Grantees will record the receipt and expenditure of revenue (such as taxes, special assessments, levies, fines, etc.) as part of grant transactions when such revenues are specifically earmarked for a grant in accordance with the grant agreement.

## PROCUREMENT STANDARDS

A. Applicability. This Chapter provides standards and guidelines applicable to procurements of supplies, equipment, construction, and other services under programs and projects supported with HPF grant funds. These standards are designed to ensure that such materials and services are obtained efficiently and economically and in compliance with the provisions of applicable Federal laws, and of OMB Circulars A-102, Attachment O (for States) and A-110, Attachment O (for the National Trust).

B. Grantee/Grantor Responsibility.

1. These standards do not relieve the grantee of any responsibilities under its contracts. The grantee is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements entered into in support of a grant. These include, but are not limited to: source evaluation, protests, disputes, and claims. NPS will not substitute its judgment for that of the grantee unless the matter is primarily a Federal concern. Violations of law are to be referred to the local, State, or Federal authority having proper jurisdiction.

2. Grantees shall use their own procurement procedures which reflect applicable State and local laws and regulations, provided that procurements for HPF-assisted work conform to the standards set forth in this Chapter and applicable Federal laws.

3. Grantees should not execute contracts or subgrant agreements until the grant application against which costs will be charged has been approved by the National Park Service. Entering into a contract prior to this approval constitutes preagreement costs, which are unallowable without written NPS authorization (see Chapter 13).

C. Grantee Procurement Improvement. In accordance with the provisions of OMB Circular A-102, Attachment O, NPS will provide grantees with procurement technical assistance, training, publications, and other aid to the extent that resources allow.

D. Procurement System Reviews. Attachment O encourages Federal agencies to perform reviews of its grantees' procurement systems; and when the procurement system is certified as meeting the standards detailed in Section 6 of that Attachment, to eliminate individual pre-award contract reviews by the Federal agency. NPS does not conduct pre-award contract reviews. If such are initiated on an individual basis, the requirements and limitations established in Attachment O will be applied.

E. Code of Conduct. Grantees will maintain a written code or standards of conduct which shall govern the performance of their officers, employees, or agents engaged in the award and administration of contracts supported by HPF funds. No employee, officer, or agent of the grantee shall participate in the selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

1. The employee, officer, or agent;
2. Any member of his immediate family;
3. His or her partner; or
4. An organization which employs, or is about to employ, any of the above.

The grantee's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subgrant agreements.

Grantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

To the extent permitted by State or local law or regulations, such standards of conduct shall provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's officers, employees, or agents, or by contractors or their agents.

Refer to Chapter 5, "General Conditions Governing Grants," and Chapter 3 for detailed requirements involving conflict of interest, as well as Section I.2(c) (below).

F. Procurement Procedures. The grantee shall establish procurement procedures which provide that proposed procurement actions shall be reviewed by grantee officials to avoid the purchase of unnecessary or duplicative items. Consideration should be given to consolidation or breaking out to obtain a more economical purchase. Where appropriate, an analysis shall be made of lease versus purchase alternatives, and any other appropriate analysis to determine which approach would be the most economical. To foster greater economy and efficiency, grantees (and subgrantees, to the extent feasible) are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

G. Contracting with Small and Minority Firms, Women's Business Enterprise and Labor Surplus Area Firms.

1. It is national policy to award a fair share of contracts to small and minority business firms. Accordingly, affirmative steps must be taken to assure that small and minority businesses are utilized when possible as sources of supplies, equipment, construction, and services. Affirmative steps shall include the following:

   a. Including qualified small and minority businesses on solicitation lists;

b. Assuring that small and minority businesses are solicited whenever they are potential sources;

c. When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority business participation;

d. Where the requirement permits, establishing delivery schedules which will encourage participation by small and minority business;

e. Using the services and assistance of the Small Business Administration and the Office of Minority Business Enterprise of the Department of Commerce, as required;

f. If any subcontracts are to be let, requiring the prime contractor to take the affirmative steps in a) through e) above.

2. Grantees shall take similar appropriate affirmative action in support of women's business enterprises.

Effective October 1, 1984, in accordance with Executive Order 12432, on Minority Business Enterprise Development (issued July 14, 1983), grantees are required to submit quarterly reports on their utilization of minority business enterprises in subcontracts and subgrants. Any prior grant which is amended must also be reported. The DI Form 1925, Minority Business Enterprise Utilization Report, shall be used to obtain the required information from grantees or subgrantees. Subgrantees must be advised that a form which identifies goals for Minority Business Enterprise involvement shall be submitted prior to the commencement of construction and or nonconstruction. Grantees may obtain the required form from the Regional Office. In order to ensure proper implementation of these requirements, the reports shall be submitted to the National Park Service Regional Office. Regional Offices shall transmit the reports to the Preservation Asssistance Division, WASO, to be consolidated and forwarded through the Assistant Director, Minority Business Enterprise to the Department of the Interior Office of Small and Disadvantaged Business Utilization (OSDBU). The first quarterly report shall be reported by January 10, 1985, and thereafter within 10 days after the end of each fiscal year quarter. A final report must be submitted at the time of final billing. (See Exhibit 17-A.)

3. Grantees are encouraged to procure goods and services from labor surplus areas.

H. Types of Contracts. The types of contracts which are allowable when Federal funds are involved include cost reimbursement contracts, firm fixed-price contracts, fixed-price incentive contracts, or cost-plus-a-fixed-fee contracts. Other types of special contracts may be acceptable, depending upon the individual circumstances. However, cost-plus-a-percentage-of-cost and percentage-of-construction-cost contracts may not be used under any circumstances, and costs incurred under these types of contracts are unallowable.

I. Selection Procedures.

1. All procurement transactions, regardless of whether by sealed bids or by negotiation, and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition consistent with this Chapter. Procurement procedures shall not restrict or eliminate competition. Examples of what is considered to be restrictive of competition include, but are not limited to: (1) placing unreasonable requirements on firms in order for them to qualify to do business, (2) noncompetitive practices between firms, (3) organizational conflicts of interest, and (4) unnecessary experience and bonding requirements.

2. The grantee shall have written selection procedures which shall provide, at a minimum, the following procedural requirements:

   a. Solicitations of offers, whether by competitive sealed bids or competitive negotiation, shall:

      1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated.

      2) Clearly set forth all requirements which offerors must fulfill and all other factors to be used in evaluating bids or proposals, such as a deadline for completion of project work.

b. Contract awards shall be made only to responsible contractors that possess the potential ability to perform successfully under the terms and conditions of proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. (Note: evidence of default, adverse record of past performance, or related factors are necessary to demonstrate lack of responsibility.)

c. Contract awards shall not normally be made to a contractor or professional who has developed or has drafted bid specifications, requirements, a statement of work, an invitation for bids, and/or a request for proposals for a particular procurement. Only after formal advertising has not resulted in any acceptable bids may the grantee or subgrantee negotiate with any available contractor, including the contractor who produced the bid requirements.

J. Methods of Procurement. Procurement under HPF grants shall be made by one of the following methods: 1) small purchase procedures; 2) competitive sealed bids (formal advertising); 3) competitive negotiation; 4) noncompetitive negotiation. (See Section L concerning required documentation and Chapter 28, for procurement records.)

1. Small purchase procedures. Small purchase procedures are simple, informal methods (i.e., imprest funds, purchase orders, blanket purchase agreements) used for a procurement of services, supplies or other property, costing in the aggregate not more than $10,000. Grantees shall comply with State or local small purchase dollar limits. If small purchase procedures are used for a procurement under a grant, price or rate quotations shall be obtained from an adequate number of qualified sources to assure competition.

2. Competitive sealed bids. In competitive sealed bids (formal advertising), sealed bids are publicly solicited, and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is lowest in price, and is most advantageous to the grantee, considering price, discounts, transportation costs, taxes, and the contractor's ability to fulfill the contract.

a. In order for formal advertising to be feasible, appropriate conditions must be present, including, at a minimum, the following:

1) A complete, adequate and realistic specification or purchase description is available, which avoids unnecessarily restrictive specifications or requirements which might unduly limit the number of bidders.

2) Two or more responsible suppliers are willing and able to compete effectively for the grantee's business.

3) The procurement lends itself to a firm-fixed-price contract, and selection of the successful bidder can appropriately be made principally on the basis of price.

b. If formal advertising is used for a procurement under a grant, the following requirements shall apply:

1) A sufficient time prior to the date set for opening of bids, bids shall be solicited from an adequate number of known suppliers. (The period allowed for bids to be submitted shall be 20 to 30 calendar days.) In addition, the invitation shall be publicly advertised.

2) The invitation for bids, including specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the invitation.

3) All bids shall be opened publicly at the time and place stated in the invitation for bids.

4) A firm-fixed-price contract award shall be made by written notice to that responsible bidder whose bid, conforming to the invitation for bids, is lowest. Where specified in the bidding documents, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine low bid when prior experience of the grantee indicates that such discounts are generally taken.

5) Any or all bids may be rejected when there are sound documented business reasons in the best interest of the program. If all bids are rejected as too costly, and the scope of work is then substantially altered, the work must be readvertised.

Guide to Formal Advertising. Formal advertising, with adequate purchase descriptions, sealed bids, and public openings will be the required method of procurement unless negotiation is necessary to accomplish sound procurement. (See Section J.2.a. above and Section J.3.e. below.) However, procurements of $10,000 or less need not be formally advertised unless otherwise required by State or local law or regulation.

Formal advertising includes placing the "Invitation to Bid" in a major newspaper that covers the area affected by the project. Notices should be published at least three times (which can be either three successive times in one publication, or one time published simultaneously in three different publications). Use of pre-selected bid lists, posting in public places, and publication in trade journals and magazines are legitimate steps to ensure free and open competition and reflect prudent administration of Federal funds if used in conjunction with newspaper and other mass media announcements. Minimum documentation of formal advertising for audit purposes consists of a copy of the actual advertisement run in appropriate newspaper(s) with an invoice showing the dates published.

The formal advertisement must state that Federal funds are involved and that compliance with all applicable Federal, State, and local laws, rules, and regulations is required. After all bids are received, they should be tabulated and summarized in a manner that will facilitate comparison of the relative advantages and disadvantages of each bid. In awarding contracts which include additive and deductive bid items, the award procedures should include a disclosure of the selection priority for these items. This tabulation and/or summary should be signed and dated to provide documentation as to the basis for awarding the bid. It is not always necessary to award the contract to the lowest bidder simply because it is the lowest. There may be important considerations that obviate such action, such as State or local laws and regulations which make provisions for implementation of socio-economic programs giving priority to the handicapped, small business, or minority-owned contractors. However, the justification for doing so should be documented in writing. If unusual circumstances should arise surrounding the awarding of contracts, NPS should be consulted. Examples of unusual circumstances are the following:

--failure to receive a sufficient number of bids;
--great disparity in bid quotations; or
--intent to award a contract to other than low bidder.

If no bid or no acceptable bids were received, a contract can be negotiated for the same scope of work if each bidder is given notice of this intent and a reasonable opportunity to negotiate. In such circumstances, Department of the Interior audit staff recommend that notices concerning negotiations should be sent to all bidders, if any, by certified mail with "signed receipt requested" to provide documentation of compliance. Any material change in the invitation to bid, including changes in specifications, would necessitate re-advertising.

In accordance with OMB Circular A-110, nonprofit grantees may select the most appropriate procurement procedure without prior concurrence by NPS, unless a sole source procurement in excess of $5,000 is involved. However, nonprofit grantees must maintain procurement records for all purchases in excess of $10,000 which shall include the following:

(a) Basis for contractor selection;
(b) Justification for lack of competition when competitive bids or offers are not obtained; and
(c) Basis for award cost or price.

The method of procurement chosen by a nonprofit grantee must be appropriate for the particular procurement involved and for promoting the best interest of the HPF grant program. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used by HPF grantees and any costs incurred under such a contract shall not be eligible costs. Nonprofit grantees' procurements shall be subject to audit verification.

3. Competitive negotiation. In competitive negotiation, proposals are requested from a number of sources and the Request for Proposal is publicized (distributed to several prospective bidders), negotiations are normally conducted with more than one of the sources submitting offers, and either a fixed-price or cost-reimbursable type contract is awarded, as appropriate. Competitive negotiation may only be used if conditions are not appropriate for the use of formal advertising (see Section J.2.a. above regarding conditions requiring formal advertising; also note Section J.3.e. below in regard to procurement of professional services). If competitive negotiation is used for a procurement under a grant, the following requirements shall apply:

   a. Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The Request for Proposals shall be publicized (distributed to several prospective bidders; it does not require publication) and reasonable requests by other sources to compete shall be honored to the maximum extent practicable.

   b. The Request for Proposals shall identify all significant evaluation factors, including price or cost where required and their relative importance.

   c. The grantee shall provide mechanisms for technical evaluation of the proposals received, determinations of responsible offerors for the purpose of written or oral discussions, and selection for contract award.

   d. Award may be made to the responsible offeror whose proposal will be most advantageous to the procuring party, price and other factors considered. Unsuccessful offerors should be notified promptly.

   e. Grantees must utilize competitive negotiation procedures (or small purchase procedures for under $10,000) for procurement of architectural/engineering professional services, whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. (Resumes, references, and past work experience may be evaluated to assess professional qualifications.)

4. Noncompetitive negotiation. Noncompetitive negotiation is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Noncompetitive negotiation may be used when the award of a contract is infeasible under small purchase, competitive bidding (formal advertising), or competitive negotiation procedures. Circumstances under which a contract may be awarded by noncompetitive negotiation are limited to the following:

   a. The item is available only from a single source (which is often best documented after no responses are received from a preliminary formal advertising);

   b. Public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation;

   c. NPS authorizes in writing noncompetitive negotiation because of compelling special circumstances; or

   d. After solicitation of a number of sources, competition is determined inadequate.

5. Additional innovative procurement methods may be used by grantees with the written approval of NPS. A copy of the approval shall be sent by NPS to OMB's Office of Federal Procurement Policy.

K. Contract Pricing. Grantees shall perform some form of cost or price analysis in connection with every procurement action including contract modifications. Costs or prices based on estimated costs for contracts under grants shall be allowed only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles. In particular, a change order should not be used to increase the cost of a contract which was deliberately underbid to get the award. Change orders to adjust the cost of the contract without an increase in scope may be adjusted for materials and labor costs only, with no increase in the fixed fee amount. That figure remains fixed.

L. Grantee Procurement Records. Grantees shall maintain records sufficient to detail the significant history of a procurement. These records shall include, but are not necessarily limited to, information pertinent to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the cost or price.

M. Contract Provisions. In addition to provisions defining a sound and complete procurement contract, any recipient of Federal grant funds shall include the following contract provisions or conditions in all procurement contracts and subcontracts as required by these provisions, Federal law or NPS:

1. Contracts other than small purchases shall contain provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanction and penalties as may be appropriate.

2. All contracts in excess of $10,000 shall contain suitable provisions for termination by the grantee, including the manner by which it will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

3. All contracts awarded in excess of $10,000 by grantees and their contractors or subgrantees shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60). (See Chapter 19.)

4. All contracts and subgrants for construction or repair shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 USC 874) as supplemented in Department of Labor regulations (29 CFR Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The grantee shall report all suspected or reported violations to NPS.

5. The National Historic Preservation Act does not require compliance with the Davis-Bacon Act (40 USC 276a to a-7). Therefore State law and administrative procedures govern whether all construction contracts in excess of $2,000 awarded by grantees and subgrantees shall include a provision for compliance with the Davis-Bacon Act.

   However, HPF grantees should be aware that the provisions of the Davis-Bacon Act are applicable under the following circumstances: a) General Revenue Sharing funds constitute 25 percent or more of the total project cost; b) Community Development Block Grant (CDBG) monies are used as the nonfederal share of an HPF grant; or c) supplemental funding is provided through a Federal program to which the Davis-Bacon Act applies (see Chapter 14, Use of Other Federal Funds).

6. The National Historic Preservation Act does not require compliance with the Contract Work Hours and Safety Standards Act (40 USC 327-330). Therefore State law and administrative procedures govern whether all contracts awarded by grantees and subgrantees in excess of $2,000 for construction contracts, and in excess of $2,500 for other contracts which involve the employment of mechanics or laborers shall include a provision for compliance with Sections 103 and 107 of that Act.

7. The contract shall include notice of NPS requirements and regulations pertaining to reporting and patent rights under any contract involving research, developmental, experimental, or demonstration work with respect to any discovery or invention which arises or is developed in the course of or under such contract, and of NPS requirements and regulations pertaining to copyrights and rights in data (see Chapter 20).

8. All negotiated contracts awarded by grantees (except those awarded by small purchase procedures) shall include a provision to the effect that the grantee, the Department of the Interior, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract, for the purpose of making audit, examination, excerpts, and transcription. Grantees shall require contractors to maintain all required records for 3 years after grantees make final payments and all other pending matters are closed.

9. Contracts, subcontracts, and subgrants of amounts in excess of $100,000 shall contain a provision which requires compliance with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USC 1857(h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15), which prohibit the use under non-exempt Federal contracts, grants, or loans of facilities included on the EPA List of Violating Facilities. The provision shall require reporting of violations to the grantor agency and to the USEPA Assistant Administrator for Enforcement.

10. Contracts shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-165). NPS may require changes, remedies, changed conditions, access and record retention, and suspension of work clauses approved by the Office of Federal Procurement Policy.

N. Contract Administration. Grantees shall maintain a contract administration system ensuring that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

O. Bonding and Insurance. Grantees are to follow their own requirements relating to bid guarantees, performance bonds, and payment bonds unless the construction contract or subcontract exceeds $100,000. For those over $100,000 NPS may accept the grantee's procedures if NPS determines that the Federal Government's interests are adequately protected (see Chapter 18).

P. Recordkeeping and Access to Contractor Records. OMB Circulars A-102 and A-110, Attachments O, apply to subgrantees as well as grantees although written, for the most part, in terms of grants. Text that applies to a Federal agency is to be construed as applying to the grantee awarding a subgrant and text that applies to a grantee is to be construed as applying to the recipient of the subgrant.

Attachment O requires grantees (and subgrantees) to include in specified kinds of contracts a provision for access to the contractors' records by the grantee and by the Federal Government. The following applies to the provision:

1. The provision must require the contractor to place the same provision in any subcontract which would have to have the provision were it awarded directly to the subgrantee.

2. The provision must require retention of records for 3 years after final payment is made under the contract or subcontract and all pending matters are closed. The provision must also require that, if an audit, litigation, or other action involving the records is started before the end of the 3-year period, the records must be retained until all issues arising out of the action are resolved or until the end of the 3-year period, whichever is later.

3. In contracts and subcontracts under a subgrant, the provision must require that access to the records be provided to the grantee as well as the subgrantee and the Federal Government.

EXHIBIT 17-A

Form DI-1925
(Feburary 1985)

UNITED STATES
DEPARTMENT OF THE INTERIOR

Page of

## MINORITY BUSINESS ENTERPRISE UTILIZATION REPORT

*NOTE: Read instructions before completing form. All remarks reference to the data being reported on these forms are to be typed on a separate sheet and submitted as an attachment with this form.*

OMB APPROVED
No. 1084-0020
Expires: April 30, 1987

1 Fiscal Year 19_____ Reporting Quarter *(check appropriate box):* ☐ 1st (Oct - Dec) ☐ 2nd (Jan - Mar) ☐ 3rd (Apr - Jun) ☐ 4th (Jul - Sep)

2 Reporting Recipient of Grant/Cooperative Agreement:

Name:

Address *(include zip code):*

3. Class of Recipient *(check appropriate box):*

A. ☐ State or Local Government
B. ☐ Non-Profit Organization or Educational Institution
C. ☐ Business Firm
D. ☐ Other/To Include Individuals

4. Issuing Department of the Interior Bureau/Office:

Bureau:

Office:

Address *(include zip code):*

5. Recipient's Designated Grant/Cooperative Agreement Administrator

Name:

Title:

Phone *(include area code):*

6a. Grant/Cooperative Agreement No.:

b. Project Title:

c. Date of Award:

d. Total Dollar Value of *(Grant/Cooperative Agreement):* $

e. Fair Share Determination:

Dollar amount *(estimate)* $________________________

Percentage of subagreements _____ %

7. First Tier *(Amounts in thousands - $000)*

| SUBAGREEMENTS | 1st QTR. | 2nd QTR. | 3rd QTR. | 4th QTR. | QTRLY. CUMULATIVE |
|---|---|---|---|---|---|
| Total of Grant/Cooperative Agreement Subagreement Dollar Awards | $ | $ | $ | $ | $ |
| Total Dollar Awards to MBE's | $ | $ | $ | $ | $ |
| Percentage | . % | . % | . % | . % | . % |

| MBE COMPANY | AMOUNT OF SUBAGREEMENT | AWARD DATE |
|---|---|---|
| A. Name:<br>Address:<br>Phone: | $ | / / |
| B. Name:<br>Address:<br>Phone: | $ | / / |
| C. Name:<br>Address:<br>Phone: | $ | / / |

*(Continued on reverse)*

## 8. Second Tier *(Amounts in thousands - $000)*

| SUBAGREEMENTS | 1st QTR. | 2nd QTR. | 3rd QTR. | 4th QTR. | QTRLY. CUMULATIVE |
|---|---|---|---|---|---|
| Total of Grant/Cooperative Agreement Subagreement Dollar Awards | $ | $ | $ | $ | $ |
| Total Dollar Awards to MBE's | $ | $ | $ | $ | $ |
| Percentage | . % | . % | . % | . % | . % |

| MBE COMPANY | AMOUNT OF SUBAGREEMENT | AWARD DATE |
|---|---|---|
| A. Name:<br>Address:<br>Phone: | $ | / / |
| B. Name:<br>Address:<br>Phone: | $ | / / |
| C. Name:<br>Address:<br>Phone: | $ | / / |

9. I certify that to the best of my knowledge that the data contained in this report is true, correct and approved by a duly authorized official.

(Name) (Title)

(Signature) (Date)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

10. Remarks:

### GENERAL INSTRUCTIONS

*Recipients of grants and cooperative agreements are required to submit quarterly the Minority Business Utilization Report, within 10 days after the end of each Fiscal Year quarter, to the Bureau/Office which issued the Grant or Cooperative Agreement and to the Department of the Interior, Office of Small and Disadvantaged Business Utilization, Room 2747, 18th and C Streets, N.W., Washington, D.C. 20240.*

The issuance of these instructions regarding the reporting of minority business enterprise utilization under grants and cooperative agreements awarded by the Department of the Interior (DOI) Bureaus and Offices responds to Attachment 0 of OMB Circular A-102 and is in conformance with Executive Order 12432 which also modifies OMB Circular A-110:

### SPECIFIC INSTRUCTIONS

*(Items not listed are self-explanatory)*

1. Fill in fiscal year and check applicable quarter being reported
2. Name and address of the agency, authority or organization which is the recipient of a Department of the Interior Bureau/Office Grant or Cooperative Agreement
5. Name, title, and telephone number of individual in recipient agency, authority or organization responsible for administering the Grant or Cooperative Agreement
6a Grant/Cooperative Agreement Number assigned by the Department of the Interior Bureau/Office which issued Grant/Cooperative Agreement
c. Date the Grant/Cooperative Agreement was awarded.
d. Give total dollar value of Grant/Cooperative Agreement.
e. A fair share estimate shall be determined by each Grant/Cooperative Agreement recipient for each such award received. Estimates shall be expressed as a dollar amount as a percentage of the total dollar amount of the grant or cooperative agreement. The estimate shall represent the amount which the Grant or Cooperative Agreement recipient determines to be equitable *(fair)* for award to minority business enterprises under the following Department of the Interior fair share provisions:

*It is the Department of the Interior's policy to award a fair share of contracts, subgrants or subagreements to minority businesses. The recipient must take affirmative steps to assure that, minority businesses are used whenever possible as sources of supplies, equipment, construction, and services. Affirmative steps shall include but not necessarily be limited to the following:*

1. The inclusion of qualified minority businesses on solicitation lists;
2. The assurance that minority businesses are solicited whenever they are identified as potential sources;
3. The division of total requirements, when economically feasible, into small tasks or quantities to permit maximum participation of minority businesses;
4. The establishment of reasonable delivery schedules when feasible, so as to encourage participation by minority businesses;
5. The utilization of the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the U.S. Department of Commerce, and
6. The requirement that each party to a subgrant, subagreement or contract award take the affirmative steps outlined in paragraphs "1 through 6" of this section.

7. Total Grant/Cooperative Agreement dollars awarded *(subcontract awards and purchases)* to all firms by the recipient *(first tier awards)*. Total subagreement dollars awarded to Minority Business Enterprises (MBE's), and percentage of dollar awards made to all firms. Provide name, address and telephone numbers of awards made to minority businesses.
8. List all awards and purchases made to MBE's by the recipients subcontractors *(second tier firms which receive awards from first tier recipients of subgrants)*.
9. Person signing *must* be the authorized official of the recipient organization.

## BONDING AND INSURANCE

A. Purpose. This Chapter covers requirements for bid guarantees, performance bonds, and payment bonds when the recipient grantee or subgrantee contracts for construction (including facility improvement, alterations and renovations of real property) under a grant or subgrant, in accordance with OMB Circular A-102, Attachment B, for States, and OMB Circular A-110, Attachment B, for the National Trust.

B. General. In administering grants and subgrants, recipients shall observe their regular requirements and practices with respect to bonding and insurance. No additional bonding and insurance requirements, including fidelity bonds, shall be imposed by the terms of the grant or subgrant except as specified below.

C. Definitions.

1. Bid guarantee. A bid guarantee is a firm commitment, such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

2. Fidelity bond. A fidelity bond is a bond indemnifying the recipient against losses resulting from the fraud or lack of integrity, honesty or fidelity of one or more employees, officers, or other persons holding a position of trust.

3. Performance bond. A performance bond is a bond executed in connection with a contract to secure fulfillment of all the contractor's obligations under the contract.

4. Payment bond. A payment bond is executed in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in the execution of the work provided for in the contract.

D. Contracts for Construction.

1. Bids and contracts of $100,000 or less. Except as otherwise required by law, the grantee shall follow its own regular requirements and practices relating to bid guarantees, performance bonds, and payment bonds.

2. Bids and contracts exceeding $100,000. The recipient may follow its own regular policy and requirements if NPS has determined that the Federal Government's interest will be adequately protected. If this determination has not been made, the minimum requirements shall be as follows:

   a. A bid guarantee from each bidder equivalent to 5 percent of the bid price;

b. A performance bond on the part of the contractor for 100 percent of the contract price; and

c. A payment bond on the part of the contractor for 100 percent of the contract price.

E. Fidelity Bonds. If the grantee is not a government, NPS may require it to carry adequate fidelity bond coverage when the absence of coverage for grant-supported activity is considered as creating an unacceptable risk.

F. Source of Bonds. Where bonds are required in the situations described above, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties (31 CFR 223). A list of these companies is published annually by the Department of the Treasury in its Circular 570.

## EQUAL EMPLOYMENT OPPORTUNITY CONTRACT COMPLIANCE

A. Purpose. The requirements of this Chapter implement certain contract compliance procedures required by Executive Order 11246 (dated September 24, 1965), as amended, and by the Office of Federal Contract Compliance Programs (OFCCP) of the Department of Labor (41 CFR 60-4). These regulations shall apply to all Historic Preservation Fund grants involving federally assisted construction contracts and subcontracts in excess of $10,000. In determining whether HPF-assisted construction contracts exceed this dollar limit, the total amount of the contract awarded, rather than the amount of Federal assistance, shall apply.

B. Coordination. It is the responsibility of the grantee to ensure that subgrantees are in compliance with the above regulations. The grantee shall cooperate with the National Park Service and the Secretary of the Interior in obtaining the compliance of its subgrantees, construction contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders. The grantee shall furnish such information as may be required for the supervision of such compliance, and shall otherwise assist the National Park Service in the discharge of its duties under Executive Order 11246, as amended (3 CFR 169), its implementing regulations (41 CFR 60), and the relevant Orders of the Secretary of Labor.

C. Women and Minority Construction Hiring Goals. The Department of Labor has developed regulations regarding goals and timetables for female and minority participation in the construction industry (41 CFR 60-4). Certain geographic areas have been established by the Office of Federal Contract Compliance Programs for the purpose of establishing goals for minority participation in the construction industry. A list of geographic areas is found in Appendices A and B of Women and Minorities in Construction (published by the OFCCP in the Federal Register of May 5, 1978).

1. Goals and timetables established for women are national in scope and apply uniformly throughout the Nation. As such there is one set of goals, found in Appendix A of Women and Minorities in Construction.

2. Goals and timetables established for minorities apply only in the specific geographic areas listed in Appendix B of Women and Minorities in Construction.

D. Grantee Responsibilities. The following are grantee responsibilities under Executive Order 11246 for HPF-sponsored projects as well as responsibilities which must be required of subgrantees:

-- "Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity," including goals which are to be inserted by contracting officer or applicant. (See Exhibit 19-A of this Chapter.) Goals may be obtained from the OFCCP.

-- "Standard Federal Equal Employment Opportunity Construction Contract Specification." (See Exhibit 19-B.)

1. For construction contracts over $10,000 the following must be included in the contract:

   a. "Equal Opportunity Clause". (This may be included by reference. See Exhibit 19-C.)

   b. "Standard Federal Equal Employment Opportunity Construction Contract Specification." (See Exhibit 19-B.)

   c. "Certification of Non-Segregated Facilities" signed by prime contractor and subcontractor. (See Exhibit 19-D.)

2. Provide notice of contract awards subject to these provisions to Director of OFCCP within 10 days after the award (notice shall include name, address and telephone number of contractor, employer identification number, dollar amount of contract, estimated starting and completion dates, contract number, and geographical area in which the contract is to be performed). Notice should be sent to OFCCP's Regional Office or Area office. The location of these offices is found in Exhibit 19-E.

3. Cooperate with the Director of NPS and the Director of OFCCP in the implementation of the program.

4. Ensure that EEO posters are displayed at federally assisted construction sites. Posters may be obtained from OFCCP.

5. Ensure that contractors engaged in federally assisted construction contracts are providing data and reports to the appropriate OFCCP regional office as required or requested. (See Section E below).

6. Ensure that the provisions of the "Equal Opportunity Clause" (Exhibit 19-C) are followed for construction contracts involving force account labor.

7. Pursuant to Executive Order 11246, carry out sanctions and penalties imposed by the Secretary of Labor upon the federally assisted construction contractor or subcontractor, and refrain from entering into any contract, extension of a contract, or other modification of such a contract with a contractor debarred from Government contracts under this Order.

E. Contractor Responsibilities. The following are the responsibilities of federally assisted construction contractors under Executive Order 11246.

1. Abide by the provisions of the "Equal Opportunity Clause" (Exhibit 19-C) whether it applies to Government construction contracts or to federally assisted construction contracts.

2. Abide by the provisions of the following:

    a. "Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity." (Exhibit 19-A.)

    b. "The Standard Federal Equal Employment Opportunity Construction Contract Specification." (Exhibit 19-B.)

3. Ensure that personnel decisions are also in accordance with the following:

    a. Uniform Guidelines on Employee Selection Procedures (see 41 CFR 60-3).

    b. Sex Discrimination Guidelines (see 41 CFR 60-20).

    c. Guidelines on Discrimination Because of Religion or National Origin (see 41 CFR 60-50).

4. Incorporate into all subcontracts the following:

    a. "Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity." (Exhibit 19-A.)

    b. "The Standard Federal Equal Employment Opportunity Construction Contract Specification". (Exhibit 19-B.)

    c. "The Equal Opportunity Clause." (Exhibit 19-C.)

5. Provide data and reports to OFCCP as required or requested including the following:

    a. One-time notification within 10 days of all construction projects in the designated geographic area, Federal and nonfederal, by agency, contract number, location, estimated dollar value, percent completed and project completion date.

    b. Notification of any subsequent construction work (Federal and nonfederal) in the designated geographic area in excess of $10,000.

    c. Workforce Utilization Report to be filed monthly. (Form CC-257.)

6. Maintain non-segregated facilities.

7. Include a signed "Certification of Non-Segregated Facilities" in contracts and require subcontractors to include a signed "Certification of Non-Segregated Facilities." (See Exhibit 19-D.)

8. Expressly state in all employment solicitation or advertising that the contractor is an Equal Opportunity Employer.

9. Display Equal Opportunity Poster.

10. Allow OFCCP personnel access to site, records, and employees for purpose of determining the contractor's compliance status.

11. Refrain from entering into contracts with contractors debarred from Federal contracts or federally assisted construction contracts by the Secretary of Labor.

F. Sanctions. In the event of noncompliance with the provisions of this Chapter, sanctions outlined in Section 303(b) of Executive Order 11246 and 41 CFR 60-1.4(b) may include one or all of the following NPS actions:

   1. Cancellation, termination, or suspension, in whole or in part, of the grant.

   2. Refraining from extending any further assistance to the grantee or subgrantee until satisfactory assurance of future compliance has been received.

   3. Referring the case to the U.S. Department of Justice for appropriate action.

G. Approval of Additional Requirements. The National Park Service will not require or propose to require the performance of duties in addition to those set forth in Executive Order 11246, as amended, its implementing regulations, and the requirements of this Chapter unless written approval is obtained from the Department of Labor, Office of Federal Contract Compliance Programs.

H. Complaints. States and local project sponsors receiving complaints alleging violation of Executive Order 11246, as amended, by contractors or by any of their subcontractors shall promptly transmit such complaints to the appropriate Department of Labor Regional Office (Office of Federal Contract Compliance Programs).

EXHIBIT 19-A

# NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL EMPLOYMENT OPPORTUNITY (EXECUTIVE ORDER 11246)

1. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.

2. The goals and timetables for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

| TIMETABLES | Goals for Minority Participation For Each Trade | Goals for Female Participation In Each Trade |
|---|---|---|
| | (Insert Goals For Each Year) | (Insert Goals For Each Year) |

These goals are applicable to all the Contractor's construction work (whether it is Federal or federally assisted) performed in the covered area.

The Contractor's compliance with the Executive Order and the regulations in 41 CFR 60-4 shall be based on the Contractor's implementation of the Equal Employment Clause, specific affirmative action obligations required by the specification set forth in 41 CFR 60-4.3(a), and the Contractor's efforts to meet the goals established for the geographical areas where the contract resulting from this solicitation is to be performed. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor-to-Contractor or from project-to-project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; and the geographical area in which the contract is to be performed.

4. As used in this Notice, and in the contract resulting from this solicitation, the "covered area" is (insert description of the geographical areas where the contract is to be performed giving the State, county and city, if any).

EXHIBIT 19-B

## STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION CONTRACT SPECIFICATIONS (EXECUTIVE ORDER 11246)

1. As used in these specifications:

   a. "Covered area" means the geographic area described in the solicitation from which this contract resulted.

   b. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority.

   c. "Employer identification number" means the Federal Social Security Number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941.

   d. "Minority" includes:

      (i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin):

      (ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);

      (iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

      (iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the Contractor, or any Subcontractor at any tier, subcontracts a portion of the work involving any construction trade, the Contractor/Subcontractor shall physically include in each subcontract in excess of $10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which the contract resulted.

3. If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, the Contractor's affirmative action obligations on all work in the Plan Area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor

participating in an approved Plan is individually required to comply with their obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or Subcontractor's failure to take good faith efforts to achieve the Plan's goals and timetables.

4. The Contractor shall implement the specific affirmative action standards provided in paragraphs 7a through 7p of this Attachment. The goals set forth in the solicitation are expressed as percentages of the total hours of employment and training that the Contractor should reasonably be able to achieve for minority and female utilization in each construction trade in which it has employees in the covered area. The Contractor is expected to make substantially uniform progress toward these goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement to refer either minorities or women, shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

6. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Training must be in accordance with training programs approved by the U.S. Department of Labor.

7. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon the Contractor's efforts to achieve maximum results from these actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

    a. Ensure and maintain a working environment free of harrassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

    b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or the Contractor's union have employment opportunities available, and maintain a record of the organizations' responses. (See Chapter 17, G. 2.)

c. Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union, or if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's effort to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the areas which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractors' employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under 7b, above.

f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper; annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with onsite supervisory personnel such as superintendents, general foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

i. Direct recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment sources, the Contractors shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after-school, summer and vacation employment to minority and female youth both on the site and in other areas of a Contractor's workforce.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR 60-3.

l. Conduct, at least annually, an inventory and evaluation of at least all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment-related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of the affirmative action obligations (7a through 7p). The efforts of a contractor association, joint contractor-union, contractor-community (or other similar group of which the contractor is a member and participant), may be asserted as fulfilling any one or more of their obligations under 7a through 7p of these specifications provided that:

   a. the contractor actively participates in the group,

   b. makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry,

   c. ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation,

   d. makes a good faith effort to meet its individual goals and timetables,

   e. and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor.

   The obligation to comply, however, is the Contractor's and failure of such a group to fulfull an obligation shall not be a defense for the Contractor's noncompliance.

9. The Contractor is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in substantially disparate manner (for example, even though the Contractor has achieved the goals for women generally, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).

10. The Contractor shall not use the goals and timetables of affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The Contractor shall not enter into any subcontract with any person or firm debarred from government contracts pursuant to Executive Order 11246.

12. The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination, and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any Contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The Contractor, in fulfilling the obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 7 of this Attachment, so as to achieve maximum results from the efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The Contractor shall designate a responsible official to monitor all employment-related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions thereof as may be required by the Government, and keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

EXHIBIT 19-C

## EQUAL EMPLOYMENT OPPORTUNITY CLAUSE

The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees to the following:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure the applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

3. The contractor will send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

5. The contractor will furnish all information and reports required by Executive Order 11246, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to all books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and others.

6. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in

accordance with procedures authorized in Executive Order 11246, and such other sanctions may be imposed and remedies invoked as provided in that Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7. The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees to be bound by the above equal opportunity clause with respect to its own employment practices when participating in federally assisted construction work; provided, that if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality, or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees to assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, to furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and to otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees to refrain from entering into any contract or contract modification subject to Executive Order 11246, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that failure or refusal to comply with these undertakings may cause the administering agency to take any or all of the following actions: cancel, terminate, or suspend in whole or in part this grant, contract, loan, insurance, guarantee; refrain from extending any further assistance to the applicant under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the U.S. Department of Justice for appropriate legal proceedings.

EXHIBIT 19-D

## CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to federally assisted construction contracts and related subcontracts exceeding $10,000 which are not exempt from the Equal Opportunity clause.)

The federally assisted construction contractor certifies that he/she does not maintain or provide for his/her employees any segregated facilities at any of his/her establishments, and that he does not permit his/her employees to perform their services at any location, under his/her control, where segregated facilities are maintained. The federally assisted construction contractor certifies further that he/she will not maintain or provide for his/her employees any segregated facilities at any of his/her establishments, and that he/she will not permit his/her employees to perform their services at any location, under his/her control, where segregated facilities are maintained. The federally assisted construction contractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work area, rest rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. The federally assisted construction contractor agrees that (except where he/she has obtained identical certifications from proposed subcontractors for specific time periods) he/she will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he/she will retain such certifications in his/her files.

______________________________ ____________________
Signature Date

____________________________________________________
Name and Title of Signer (Please type)

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

EXHIBIT 19-E

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

Office of Federal Contract Compliance Programs
U.S. Department of Labor
200 Constitution Avenue NW.
Washington, DC. 20210
Telephone (202) 523-9475

### Regional and Area Offices

*Atlanta — Regional Office*
Assistant Regional Administrator, OFCCP
U.S. Department of Labor
Room 729
1371 Peachtree Street, N.E.
Atlanta, Georgia 30309
(404) 526–4211

*Boston — Regional Office*
Assistant Regional Administrator, OFCCP
U.S. Department of Labor
JFK Building, Room 1612C
Government Center
Boston, Massachusetts 02203
(617) 223–4232

*Chicago — Regional Office*
Assistant Regional Administrator, OFCCP
U.S. Department of Labor
New Federal Building, 16th Floor
230 S. Dearborn Street
Chicago, Illinois 60604
(312) 353–8887

*Cleveland — Area Office*
Assistant Regional Administrator, OFCCP
U.S. Department of Labor
Federal Building, Room 803
1240 E. Ninth Street
Cleveland, Ohio 44199
(216) 522–3882

*Dallas — Regional Office*
Assistant Regional Administrator, OFCCP
U.S. Department of Labor
555 Griffin Square
Federal Office Building, Room 506
Dallas, Texas 75202
(214) 749–1134

*San Francisco — Regional Office*

Assistant Regional Administrator, OFCCP
U.S. Department of Labor
Federal Office Building, Room 10341
450 Golden Gate Avenue
San Francisco, California 94102
(415) 556–3597

*Denver — Regional Office*
Assistant Regional Administrator, OFCCP
U.S. Department of Labor
15412 Federal Office Building
1961 Stout Street
Denver, Colorado 80202
(303) 837–4978

*Kansas City — Regional Office*
Assistant Regional Administrator, OFCCP
U.S. Department of Labor
Federal Office Building, Room 2000
911 Walnut Street
Kansas City, Missouri 64106
(816) 374–5384

*Los Angeles — Area Office*
Assistant Regional Administrator, (Acting) OFCCP
U.S. Department of Labor
Federal Building, Room 3253
300 North Los Angeles Street
Los Angeles, California 90012
(213) 688–4961

*New York City — Regional Office*
Assistant Regional Administrator, OFCCP
U.S. Department of Labor
1515 Broadway, Room 3306
New York, New York 10036
(212) 399–5563

*Philadelphia — Regional Office*
Assistant Regional Administrator,OFCCP
U.S. Department of Labor
Gateway Building, Room 15434
3535 Market Street
Philadelphia. PA 19104
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*Seattle — Regional Office*
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## PROPERTY MANAGEMENT STANDARDS

A. Purpose. This Chapter sets forth standards governing the acquisition, use, and disposition of real property, equipment, and supplies purchased in whole or in part with HPF grant assistance in accordance with Attachment N of OMB Circulars A-102 and A-110. To be considered acquired with HPF grant support, some or all of the property's acquisition cost must be a direct cost under the grant, a subgrant, or a cost-type contract and must be either borne by grant funds or counted toward satisfying a grant cost-sharing or matching requirement. This Chapter also deals with inventions, patents, and copyrights arising out of activities assisted by a grant or subgrant. Grantees are authorized to follow their own property management policies and procedures provided the requirements of this Chapter are observed. NPS shall not impose additional property management requirements on grantees unless specifically required by Federal laws or Executive orders.

B. Scope and Applicability. The provisions of this Chapter apply to both grantees and subgrantees. It is the grantee's responsibility to assure that its subgrantees, including Certified Local Governments, comply with these property management standards.

Exceptions. This Chapter does not apply to: 1) property where only depreciation or use allowances are charged; 2) property donated entirely as a third-party in-kind contribution (as defined in Chapter 14); 3) equipment or supplies acquired primarily for sale or rental; 4) equipment or supplies acquired by a contractor under a grant or subgrant when, by the terms of the contract, title is not vested in the grantee or subgrantee; or 5) real property purchased with HPF grant assistance when title is subject to the preservation covenant, unless otherwise specified in the grant agreement, or unless the property will be used by the grantee for office space.

C. Definitions.

1. Real property. Land, land improvements, structures, and appurtenances thereto, but excluding movable machinery and equipment.

2. Personal property. Property of any kind except real property. Such property may be tangible (having physical existence) or intangible (having no physical existence, such as patents, inventions, or copyrights).

3. Nonexpendable personal property. Tangible personal property having a useful life of more than 1 year and an acquisition cost of $300 or more per unit. A grantee may use its own definition of nonexpendable personal property provided that such definition includes at least all tangible personal property as defined above.

4. Expendable personal property. Tangible personal property other than nonexpendable personal property.

5. Acquisition cost of purchased nonexpendable personal property. The net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty, or in-transit insurance, will be included or excluded from the unit acquisition cost in accordance with the grantee's regular accounting practices. If the item is acquired by trading in another item and paying an additional amount, "acquisition cost" means the amount received for trade-in plus the additional outlay. The term does not include rental of property or alterations and renovations of real property.

## D. Property Management Standards.

1. Real property acquired for historic preservation purposes. Where HPF monies are used to assist private individuals and organizational entities or non-State government public bodies to acquire title to real property when the purpose is to preserve and maintain a property for a term of up to 20 years for public benefit, the grantee will be considered a "pass-through" agent only. Titles to such federally assisted property will vest in the non-State property owner.

   Use and disposition of the real property will be in accordance with the terms and conditions of the preservation covenant or agreement executed between the grantee and the property owner. The preservation covenant or agreement assures that the qualities characterizing the property as significant will be retained. The preservation covenant or agreement becomes the program purpose. (See Chapter 6.)

2. Real property acquired for administration of program operations. The provisions of this section apply to HPF-assisted properties purchased for use in administering program operations or in carrying out program objectives. The use and disposition of real property acquired wholly or in part with HPF assistance by the grantee (as deedholder) will be governed by the following requirements:

   a. Use. Real property acquired for HPF grant-supported activities shall be used by the grantee solely for authorized purposes.

      When the grantee no longer needs the property to conduct HPF grant-supported activities, the grantee shall request approval from NPS to use the property for other purposes. Use for other purposes shall be limited to:

      1) Projects or programs supported by other Federal grants or assistance agreements; or

      2) Activities or programs having purposes consistent with those authorized for support by NPS.

b. Title to real property acquired for administration will vest in the grantee (not the subgrantee) subject to the condition that the grantee will use the real property for the authorized purpose of the grant.

c. Disposition. When the real property is no longer to be used as provided in subsection 2.a., above, the grantee shall request disposition instructions from NPS. The instructions will provide for one of the following alternatives:

1) The grantee may be permitted to retain title after it compensates NPS in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

2) The grantee may be directed to sell the property under guidelines provided by NPS and pay NPS an amount computed by applying the Federal percentage of participation in the cost of the original project to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

3) The grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the grantee shall be entitled to compensation computed by applying the grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

3. Nonexpendable personal property. When nonexpendable tangible property is acquired by a grantee with HPF funds, title shall not be taken by the Federal Government but shall vest in the grantee subject to the following conditions:

a. Right to transfer title. For items of nonexpendable personal property having a unit acquisition cost of $1,000 or more, NPS reserves the right to transfer the title to the Federal Government or to a third party named by NPS when such third party is otherwise eligible under existing statutes. Such reservation shall be subject to the following standards:

1) The property shall be appropriately identified in the grant or otherwise made known to the grantee in writing.

2) NPS shall issue disposition instructions within 120 calendar days after the end of the Federal support of the program or project for which it was acquired. If the NPS

fails to issue disposition instructions within the 120 calendar-day period, the grantee shall apply the standards of subsections 3.c. and 3.d. as appropriate.

3) When the NPS exercises its right to take title, the property shall be subject to the provisions for federally owned nonexpendable personal property. Disposition instructions will be provided by NPS on a case-by-case basis.

4) When title is transferred either to the Federal Government or to a third party, the provisions of subsection 3.c.2)b) should be followed.

b. Use of other tangible nonexpendable property for which the grantee has title.

1) The grantee shall use the property in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original project or program, the grantee shall use the property in connection with its other federally sponsored activities, in the following order of priority:

a) Activities sponsored by NPS.

b) Activities sponsored by other Federal agencies.

2) Shared use. During the time that nonexpendable personal property is held for use on the project or program for which it was acquired, the grantee shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the property was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by NPS; second preference shall be given to projects or programs sponsored by other Federal agencies. If the property is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by NPS. User charges should be considered if appropriate.

c. Disposition of other nonexpendable property. When the grantee no longer needs the property as provided in 3.b., above, the property may be used for other activities in accordance with the following standards:

1) Nonexpendable property with a unit acquisition cost of less than $1,000: The grantee may use the property for other activities without reimbursement to the NPS or sell the property and retain the proceeds.

2) Nonexpendable personal property with a unit acquisition cost of $1,000 or more: The grantee may retain the property for other uses provided that compensation is made to the NPS. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from NPS.

NPS shall determine whether the property can be used to meet NPS requirements. If no requirement exists within NPS, the availability of the property shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by NPS to determine whether a requirement for the property exists in other Federal agencies. NPS shall issue instructions to the grantee no later than 120 days after the grantee request and the following procedures shall govern:

a) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse NPS an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the grantee shall be permitted to deduct and retain from the Federal share $100 or 10 percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

b) If the grantee is instructed to ship property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the grantee participation in the cost of the original grant project or program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

c) If the grantee is instructed to otherwise dispose of the property, the grantee shall be reimbursed by NPS for such costs incurred in its disposition.

d. Property management standards for nonexpendable property. The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

1) Property records shall be maintained accurately and shall include:

    a) A description of the property.

    b) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

    c) Source of the property, including grant or other agreement number.

    d) Whether title vests in the grantee or the Federal Government.

    e) Acquisition date (or date received, if the property was furnished by the Federal Government) and cost.

    f) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired. (Not applicable to property furnished by the Federal Government.)

    g) Location, use, and condition of the property and the date the information was reported.

    h) Unit acquisition cost.

    i) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the grantee compensates NPS for its share.

2) Property owned by the Federal Government must be marked to indicate Federal ownership interest.

3) A physical inventory of property shall be taken and the results reconciled with the property records at least every 2 years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall, in connection with the inventory, verify the existence, current utilization, and continued need for the property.

4) A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented; if the property was owned by the Federal Government, the grantee shall promptly notify NPS.

5) Adequate maintenance procedures shall be implemented to keep the property in good condition.

6) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

4. Expendable personal property. Title to expendable personal property shall vest in the grantee upon acquisition. If there is a residual inventory of such property exceeding $1,000 in total aggregate fair market value, upon termination or completion of the grant, and if the property is not needed for any other federally sponsored project or program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must, in either case, compensate the Federal Government for the Federal share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

5. Intangible property.

a. Inventions and patents. If any grant-assisted activity or project work produces patentable items, rights, processes, or inventions, in the course of work sponsored by NPS, such fact will be promptly and fully reported to NPS. Unless there is a prior agreement between the grantee and NPS on disposition of such items, NPS will determine whether protection on the invention or discovery will be sought. NPS will also determine how the rights in the invention or discovery, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with "Government Patent Policy" (President's Memorandum for Heads of Executive Departments and Agencies, August 23, 1971, and statement of Government Policy as printed in 36 Federal Register 16889).

b. Copyrights. Except as otherwise provided in the terms and conditions of the grant agreement, the author or grantee is free to copyright any books, publications, or other copyrightable materials developed in the course of or under a project financed by NPS. However, any such copyrighted materials will be subject to a royalty-free, nonexclusive, and irrevocable license to the Federal Government to reproduce, publish, or otherwise use, and to authorize others to use, the work for Government purposes.

6. Federal rights to data and copyrights.

a. The term "subject data" used in this section includes writings, technical reports, sound recordings, magnetic recordings, computer programs, computerized data bases, pictorial reproductions, plans, drawings, specifications, or other graphical representations, and works of any similar nature (whether or not copyrighted) which are (1) submitted with a proposal or grant application; or (2) specified to be delivered under an NPS grant; or (3) developed or produced and paid for in whole or in part by an NPS grant. The term does not include financial reports, cost analysis, and other information incidental to grant administration.

b. Except as may otherwise be provided in the grant agreement, when publications, films, or similar materials are developed directly or indirectly from a program, project, or activity supported by NPS funds, the author is free to arrange for copyright without approval. However, such materials shall include acknowledgement of NPS grant assistance (Chapter 3, Section E.8.b., provides the required statement). As a condition of grant assistance, the grantee agrees to, and awards to the Government and its officers, agents, and employees acting within the scope of their official duties, a royalty-free, nonexclusive, and irrevocable license throughout the world for Government purposes, to publish, translate, reproduce, and use all subject data or copyrightable material based on such data covered by the copyright.

c. The grantee shall not include in the subject data any copyrighted matter without the written approval of the copyright owner. Such approval must include permission for the Government to use the material in the manner provided in b., above.

d. Nothing contained in the foregoing shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other rights otherwise granted to the Government under any patent.

e. Unless otherwise limited below, the Government may, without additional compensation to the grantee, duplicate, use, and disclose all subject data in any manner and for all purposes whatsoever, and allow others to do so.

f. Notwithstanding any provisions of any grant or specific limitations concerning inspection and acceptance, the Government shall have the right at any time to modify, remove, obliterate, or ignore any marking not authorized by the terms of a grant on any piece of subject data furnished under the grant.

## UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES

A. Purpose and Scope. This Chapter provides for the application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 91-646) to undertakings by State agencies funded with financial assistance from the Historic Preservation Fund. The Relocation Act provides for the uniform and equitable treatment of persons displaced from their homes, businesses, or farms by Federal and federally assisted programs, and establishes uniform and equitable land acquisition policies for Federal and federally assisted programs.

The procedures described in this part are based on the Relocation Act, OMB Circular A-102 and Department of the Interior regulations (41 CFR 114-50). Section B discusses displacement; Section C discusses acquisition.

The provisions of the Relocation Act and these requirements apply to the acquisition of all real property for, and the relocation of all persons displaced by, projects which receive Historic Preservation Fund assistance for all or part of the project cost and which involve public subgrantees or the State as current owner or buyer. The provisions of the Relocation Act requiring relocation assistance for displaced persons, businesses or farm operations do not apply to acquisition or development projects undertaken by private or nonprofit subgrantees. However, it is NPS policy that the uniform property acquisition standards do apply to all projects regardless of the type of subgrantee involved.

1. Responsibility of the grantee. The grantee is responsible for implementing the provisions of the Relocation Act and the regulations contained in this Chapter. The State Historic Preservation Officer must advise subgrantees on, and assure compliance with, all relocation and acquisition matters related to the Relocation Act and these procedures.

   The grantee will maintain the following documentation available for NPS inspection for each acquisition project, unless waived by NPS in writing:

   a. Appraisal documentation including the State Historic Preservation Officer's written acceptance of the appraisal;

   b. A statement of just compensation and copy of the written offer to purchase for that amount;

   c. Documentation showing that the owner or his designated representative has been invited to accompany the appraiser during the inspection of the property;

   d. Relocation Plan, advisory services program description, and appeals procedure when displacement has occurred;

   e. Evidence that occupants of property acquired were furnished adequate information explaining their eligibility for payments under Title II of the Relocation Act at the beginning of negotiations;

   f. Appropriate claims forms and supporting documentation; and

   g. Evidence of purchase price and of clear title.

All required documentation must be retained by the grantee for audit purposes.

2. Appraisals. Grantees will comply with the current "Uniform Appraisal Standards for Federal Land Acquisitions" published by the Interagency Land Acquisition Conference, 1973. Appraisals must be performed by certified independent appraisers. (See Chapter 6, Exhibit 6-B.)

3. Federal share of cost. The cost to a grantee of providing the payments and assistance required by these procedures must be included as part of the program or project cost, but shall not be included in any appraisal of real property value.

4. Technical assistance. Local agencies knowledgeable about compliance with P.L. 91-646 are housing authorities, redevelopment agencies, State departments of transportation or highways, and HUD regional offices. These agencies may have brochures explaining this law.

B. Displacement.

1. Relocation plan. A relocation plan must be developed for all properties where an NPS-funded acquisition project will cause displacement of persons from their dwellings, businesses, or farm operations. This includes property owners and tenants. The relocation plans must be undertaken during the planning phase of the project prior to the beginning of acquisition negotiations. Based on this plan, the grantee may proceed with a project only after it has determined that, prior to displacement, decent, safe, and sanitary housing (as defined in the Relocation Act) will be available within a reasonable period.

2. Acquisition involving no Federal assistance. When the purchase of property by a grantee without Federal financial assistance results in the displacement of any person, business, or farm operation, eligibility for Historic Preservation Fund assistance for the later development of the property will depend on the following criteria:

   a. If the acquisition or development occurred within the 5 years preceding the time the grantee submits a funding application, the grantee must provide the assurances required by Sections 210 and 305 of the Relocation Act or a written certification as part of the application. The certification must state that at the time of the acquisiton and displacement, the grantee had not yet initiated planning activity to obtain NPS assistance. The statement must be signed and dated with the certifying official's name, title, and agency.

b. If the acquisition and last displacement occurred more than 5 years before the grantee applies for HPF assistance, the grantee need not provide the assurances required by Sections 210 and 305 of the Relocation Act unless NPS has evidence to indicate that at the time of the acquisition and displacement, the grantee had initiated planning activity to obtain NPS assistance. In such cases, Sections 210 and 305 assurances will be required. (See Section B.3, below.)

3. Assurances. NPS will not approve any project which will result in the acquisition of real property and/or the displacement of any person, business, or farm operation unless the grantee provides the assurances required by Section 210 and 305 of the Act and the procedures in this Chapter. These assurances specify that:

   a. Fair and reasonable relocation payments and assistance will be provided to displaced persons, as required by Sections 202, 203, and 204 of the Relocation Act.

   b. Relocation assistance programs offering the service described in Section 205 of the Relocation Act will be provided to displaced persons.

   c. A survey and analysis of available replacement housing has been made in accordance with Department of the Interior regulations (41 CFR 114-50), and that within a reasonable period of time prior to displacement, there will be available decent, safe, and sanitary replacement housing in accordance with Section 205(c)(3) of the Relocation Act.

   d. In acquiring real property, the grantee must be guided, to the greatest extent practical under State law, by the land acquisition policies set forth in Section 301 and 302 of the Relocation Act.

   e. Property owners must be paid or reimbursed for necessary expenses as specified in Sections 303 and 304 of the Relocation Act.

   f. The displaced persons must be informed of the benefits available under Title II of the Relocation Act and the policies and procedures relating to the payment of such benefits.

4. Appeals. An applicant for payments under the Relocation Act may feel aggrieved by a displacing agency's determination as to the applicant's eligibility for payment or the amount of the payment. Each grantee must establish procedures that provide for adequate review by the State Historic Preservation Officer of the applicant's concerns. The procedures must ensure that:

a. All those eligible for relocation assistance are furnished with written notice of their right to appeal when assistance payments are first proposed.

b. Prompt consideration is given to all requests for administrative review.

c. Prompt written notice is given of the final determination explaining why an amount claimed has been disallowed.

d. Prompt payment is made of any amounts that are determined to be due the claimant.

The appeals process must include procedures to be followed should decisions remain disputed following review by the State Historic Preservation Officer. Final appeal must be available and final determination made by higher officials of the State government, such as the State Relocation Officer or similar official.

## C. Real Property Acquisition Policy.

1. Waiver of Right to Just Compensation. If real property is acquired at less than the estimate of fair market value determined by a certified independent professional appraiser(s), there must be documentation that the owner was first provided with a written offer to purchase for the full amount established as just compensation (equal to the approved appraisal of the fair market value).

The grantee must submit in the project application a signed statement by the owner waiving the Right to Just Compensation and indicating that he or she:

a. Has been informed of all of his or her rights and benefits under the Uniform Relocation Assistance and Real Properties Acquisition Policies Act;

b. Has been provided with a statement of just compensation and a written offer to purchase for the amount appraised as full market value (the amount should be shown in the owner's statement);

c. Is satisfied with the price to be paid even though it is less than the appraisal of fair market value; and

d. The reasons why he or she has elected to accept the lesser amount. (NOTE: When a partial donation of property (less than appraised fair market value) is to be applied as matching share for an acquisition project, the seller-owner's signed waiver of just compensation and statement of intention to donate the remainder value for historic preservation purposes must be clearly specified.)

2. Annual report. Department of the Interior regulations (41 CFR 114-50) require that all of its grant programs requiring compliance with the Relocation Act submit an annual report on relocation assistance activities and payments. Accordingly, each HPF grantee will report annually, on Form 2997, giving the numbers of persons and businesses relocated, numbers remaining to be relocated, relocation costs, and property acquired during the fiscal year for the State historic preservation program. In addition, the grantee will complete the Residential Relocation Displacement Statistics form. Both forms must be submitted in duplicate to the NPS office that awarded the grant by November 1. (See Exhibits 21-A and 21-B.)

## D. Compensation for Displacement Resulting from Acquistion of Land for Federal or Federally Assisted Programs.

The following provides guidance about benefits under the Relocation Act. Additional information can be found in Federal Management Circular 74-8, and in 41 CFR 114-50.

1. General provisions. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 provides for certain benefits and payments to persons (landowners and tenants) displaced as a result of the acquistion of land for Federal or federally assisted programs. A person is considered displaced:

   a. When a person, partnership, corporation, or association on or after January 2, 1971, moves from real property as a result of the acquisition of such real property by a federally assisted program, in whole or in part;

   b. When they are in receipt of a written order from the acquiring agency to vacate real property because of a program or project receiving Federal financial assistance. The grantee is responsible for ensuring that a written notice of displacement is sent by certified (or registered) mail to each individual, family, business, or farm operation to be displaced at least 90 calendar days before the date by which a move is required. The law provides for the following benefits and payments:

      1) Reimbursement of moving and related expenses or certain substitute payments;

      2) Replacement housing allowance under certain conditions;

      3) Relocation assistance services to help locate replacement housing, farms, or business properties;

      4) Reimbursement of certain expenses incurred in selling a real property to a government agency.

2. Reimbursement of moving and related expenses. Displaced owners and tenants are eligible for reimbursement of actual expenses incurred in moving themselves, their families, and their personal property from land acquired for Federal or federally assisted programs. When a commercial mover is used, the reimbursement will be the amount charged. If the actual expenses are to be claimed, accurate records must be kept and bills and receipts obtained to support an application for reimbursement of expenses. Reimbursement for actual moving expenses will not exceed the estimate or amount charged by the commercial mover.

   a. In addition to moving expenses, actual direct losses of tangible personal property as a result of moving or discontinuing a business or farm opertion may be reimbursable but not to exceed the cost of moving such property.

   b. Owners or tenants displaced from a business or farm operation are eligible for an additional payment not to exceed $500 for expenses incurred in searching within a 50-mile radius for a replacement business or farm (see Section D.3, below).

   c. An owner or tenant displaced from a dwelling has the option of accepting substitute payment of $300 plus an allowance of up to $200 (based on the size of dwelling moved from) instead of actual moving expenses.

   d. A displaced person from a business or farm operation has the option of accepting substitute payment instead of actual moving and search for replacement property expenses of not less than $2,500 nor more than $10,000, based on the actual net income before income taxes. To qualify as a farm operation, the farm must contribute, or be capable of contributing, at least one-third of the operator's support. To qualify as a business it must be shown that:

      1) It cannot be relocated without substantial loss of its existing patronage; and

      2) It is not a part of a commercial enterprise having at least one other establishment not being acquired by the government.

      3) The following are allowable moving expenses:

         a) Transportation of individuals, families, and personal property to a replacement site not more than 50 miles away, except where NPS determines that relocation beyond 50 miles is justified under the circumstances.

         b) Packing and unpacking, crating and uncrating of personal property;

c) Advertising for packing, crating, and transportation when the displacing agency determines that is necessary;

d) Storage of personal property for a period generally not to exceed 12 months when determined necessary by displacing agency;

e) Insurance premiums for loss to and damage of personnel property while in transit or in storage (per d(3)(d) above);

f) Removal and reinstallation of machinery, appliances, and other items not acquired as real property. Prior to payment of any expenses for removal and reinstallation of such property, the displaced person shall be required to agree in writing that the property is personal and that the displacing agency is released from any payment for the property;

g) Property lost, stolen, or damaged (not caused by the fault or negligence of the displaced person, his agent or employees) in the process of moving, where insurance to cover such loss or damage is not available.

3. The following are allowable expenses in searching for a replacement business or farm, not to exceed $500 total expenses:

   a. Actual travel costs;

   b. Extra costs for meals and lodging;

   c. Time spent in searching at the rate of the displaced person's salary or earnings, but not to exceed $10 per hour;

   d. Necessary broker, real estate or other professional fees to locate a replacement business or farm operation, subject to prior approval of displacing agency.

4. The following are nonallowable expenses:

   a. Additional expenses incurred because of living in a new location;

   b. Cost of moving structures or other improvements in which the displaced person reserved ownership;

   c. Improvements to the replacement site, except when required by law;

   d. Interest on loans to cover moving expenses;

   e. Loss of good-will;

   f. Loss of profits;

g. Loss of trained employees;

h. Personal injury;

i. Cost of preparing the application for moving and related expenses.

5. Replacement housing allowance. In addition to reimbursement of moving expenses, owners or tenants actually occupying dwellings on the property acquired by a grantee or subgrantee under a Federal or federally assisted program may be eligible for a payment to help them purchase or rent a decent, safe, and sanitary replacement dwelling. This payment may be in the form of a differential payment, a rent supplement, or a down payment allowance.

   a. Differential payment. A payment which when added to the purchase price of the dwelling acquired would enable the owner occupant to acquire a decent, safe, and sanitary dwelling in the same general area from which he was displaced. The maximum amount that can be allowed for a replacement dwelling will in no case exceed $15,000. To qualify for this payment an owner occupant must have occupied the dwelling for not less than 180 days prior to the initiation of negotiations by the grantee or subgrantee (the date the first monetary offer was made).

   b. Rent supplement. The amount necessary, when added to the actual rent or fair cash rental, whichever is greater, which will enable a displaced tenant or owner occupant to rent a decent, safe, and sanitary dwelling for a period not to exceed 4 years, but in no case may the total amount of such payment exceed $4,000. The grantee must determine the maximum amount necessary to rent a replacement dwelling (refer to FMC 74-8). The rental replacement housing payment shall be paid in a lump sum, except that it may be paid in four equal annual installments when this method is requested in writing by the displaced person. To qualify for this payment, a tenant or owner must have occupied the dwelling acquired for no less than 90 days prior to the initiation of negotiations. An owner occupant of more than 180 days prior to the initiation of negotiations may elect to receive this payment instead of the differential payment, but not to exceed the amount he or she would have received as a differential payment.

   c. Down payment. The amount necessary to make a down payment for purchase, including closing costs, on a decent, safe, and sanitary dwelling, but not to exceed $4,000. Any amount over $2,000 must be matched on an equal basis by the displaced owner or tenant. The amount required for a down payment cannot exceed the minimum needed in the area for a conventional loan plus closing costs. The same occupancy qualifications apply for a down payment as for a rent supplement.

6. Relocation assistance. The grantee must, to the greatest extent possible, assist displaced landowners and tenants in locating and

becoming established in decent, safe, and sanitary replacement housing, and in locating replacement farm and business properties. The grantee must also provide assistance in completing applications for moving and other expenses and payments authorized by the Relocation Act. The grantee must, upon request, provide any lending institution, or other interested party, with a statement of expenses and allowances for which a displaced owner or tenant is eligible under the Relocation Act.

7. Reimbursement of expenses incurred in selling real property to a grantee or a subgrantee. Land owners are eligible for reimbursement of certain expenses incurred by them in conveying title to real property to the grantee or subgrantee. The expenses eligible are:

    a. Recording fees, transfer taxes, revenue stamps, and notary fees;

    b. Penalty costs for pre-payment of pre-existing recorded mortgages as may be required to convey a clear title to the government agency;

    c. The pro rata portion of real property taxes which would apply to the period after the date title vests in the grantee or subgrantee, or the effective date of possession, whichever is earlier.

    It is the obligation of the landowner to pay these expenses intially, and then claim reimbursement by application.

EXHIBIT 21-A

## ANNUAL REPORT ON RELOCATION AND REAL PROPERTY ACQUISITION ACTIVITIES

*(UNDER THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970)*

| REPORT FOR FISCAL YEAR | PROGRAM | PROGRAM TITLE | REPORTS CONTROL SYMBOL |
|---|---|---|---|
| 19 | | | PB-122 |

AGENCY *(Department, Bureau, Office, Division)*

### SECTION I - RELOCATION ASSISTANCE PAYMENTS AND EXPENSES

| | ITEM | | NUMBER OF CLAIMS PAID (a) | AMOUNT PAID (b) |
|---|---|---|---|---|
| 1 | Payments for expenses of moving individuals and families | Actual expenses *(Sec. 202(a))* | | $ |
| 2 | | Fixed payment including dislocation allowance *(Sec. 202(b))* | | |
| 3 | Payments for searching and moving expenses for displaced businesses, farms and non-profit organizations | Actual expenses *(Sec. 202(a))* | | |
| 4 | | Payment in lieu of actual expenses *(Sec. 202(c))* | | |
| 5 | Replacement housing payments for homeowners *(Sec. 203)* | | | |
| 6 | Rental assistance payments *(Tenants and certain others) (Sec. 204(1))* | | | |
| 7 | Down payment assistance *(Tenants and certain others) (Sec. 204(2))* | | | |
| 8 | Last resort housing *(Sec. 206(a))* | | | |
| 9 | **Subtotal** *(Sum of lines 1 thru 8)* | | | |
| 10 | ***Administrative costs in carrying out relocation program (Including cost of relocation advisory services provided under Section 205 of the Act)*** | | | |
| 11 | **TOTAL** *(Sum of lines 9 and 10, column (b) only)* | | | |
| 12 | **TOTAL AMOUNT PAID FROM FEDERAL FUNDS THIS FISCAL YEAR** | | | |
| 13 | **TOTAL AMOUNT PROJECTED FOR NEXT FISCAL YEAR** | | | |
| 14 | **TOTAL AMOUNT PROJECTED FOR NEXT FISCAL YEAR TO BE PAID FROM FEDERAL FUNDS** | | | $ |

### SECTION II - REAL PROPERTY ACQUISITION SETTLEMENTS COMPLETED

| | ITEM | NUMBER OF PARCELS (a) | COMPENSATION PAID (b) |
|---|---|---|---|
| 15 | Acquired by negotiation 1/ | | $ |
| 16 | Acquired by condemnation 2/ | | |
| 17 | **TOTAL** *(Sum of lines 15 and 16)* | | |
| 18 | **TOTAL AMOUNT PAID FROM FEDERAL FUNDS** | | $ |

1/ *Negotiated tracts include all tracts acquired by any method other than condemnation for reason of price di agreement.*

2/ *Include only tracts condemned because of price disagreement.*

REMARKS

GENERAL SERVICES ADMINISTRATION *(See Instructions on reverse)* **GSA** FORM **2907** (12-71)

EXHIBIT 21-A

## INSTRUCTIONS

Section I - Relocation Assistance Payments and Expenses. For each of the types of assistance or payments shown in lines 1 through 8, report the total number of claims paid in column (a) and the amounts thereof in column (b). Descriptions for lines 1 through 5 and 7 through 9 are considered adequate for completion without further instructions. For line 6, report total rental assistance claims paid including rental assistance to former homeowners who elect to rent in lieu of receiving a replacement housing payment authorized by Section 203 of the Act. In the case of claimants who elect to have their rental assistance payment in installments, the total amount of the rental assistance entitlement should be reported as paid during the reporting year in which the first installment is paid. In line 10, report the total amount of Administrative costs incurred in carrying out the relocation program including the cost of relocation assistance advisory services provided under Section 205 of the Act. Descriptions in lines 11 through 14 are considered to be adequate without further instructions.

Section II - Real Property Acquisition Settlements Completed. Report the number of parcels column (a) and the compensation paid column (b) for real property acquired and paid for during the reportable year. On line 15, report the total number of parcels and compensation paid for real property acquired by any method other than condemnation for reason of price disagreement. On line 16, report in the appropriate columns only tracts condemned because of price disagreement. Line descriptions for lines 17 and 18 are adequate for completion without further instructions. It is understood that this section will only include settlements completed. It excludes the reporting of parcels acquired by condemnation where settlements have not been completed. Such parcels should be reported when settlement has been completed.

EXHIBIT 21-B

## RESIDENTIAL RELOCATION DISPLACEMENT STATISTICS

CLAIMANTS DISPLACED DURING FY __

| | NEGRO/ BLACK | | SPANISH SURNAMED | | AMERICAN INDIAN | | ASIAN AMERICAN/ ORIENTAL | | ALL OTHERS | | TOTAL ALL GROUPS | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | OWNER | TENANT | OWNER | TENANT | OWNER | TENANT | OWNER | TENANT | OWNER | TENANT | OWNER | TENANT |
| UNDER AGE 62 | | | | | | | | | | | | |
| 62 AND OVER | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | |

*PEOPLE DISPLACED DURING FY __

| | NEGRO/ BLACK | SPANISH SURNAMED | AMERICAN INDIAN | ASIAN AMERICAN/ ORIENTAL | ALL OTHERS | TOTAL ALL GROUPS |
|---|---|---|---|---|---|---|
| TOTAL | | | | | | |

*Report total number of people displaced.

Note: Under "Spanish Surnamed" include persons of Puerto Rican, Mexican American, Cuban, Central or South American, or other Spanish descent. Under "Asian American/Oriental" include Chinese, Japanese and Korean. Under "All Others" include white persons not of Spanish descent.

## STANDARDS FOR GRANTEE FINANCIAL MANAGEMENT SYSTEMS

A. Purpose. This Chapter prescribes standards for financial management systems of grant supported activities conducted by grantees and their subgrantees in accordance with the uniform Federal standards contained in Attachment G of OMB Circular A-102 (for States) and Attachment F of Circular A-110 (for the National Trust).

B. Standards and Requirements. Grantee and subgrantee financial management systems shall provide for the following:

1. Financial reporting. Accurate, current, and complete disclosure of the financial results of each grant in accordance with the reporting requirements set forth in Chapter 24 of this Manual. When reporting on an accrual basis is statutorily required, a recipient whose accounting system is not maintained on that basis may develop the accrual information through an analysis of the documentation on hand.

2. Accounting records. Records that identify adequately the source and application of funds for grant or subgrant supported activities. These records must contain information pertaining to HPF grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Internal control. Effective control and accountability for all grant or subgrant cash, property covered by Chapter 20, and other assets. Grantees will adequately safeguard all such assets and will assure that assets are used solely for authorized purposes.

4. Budgetary control. The actual and budgeted amounts for each grant and subgrant shall be compared. Financial information should be related to performance or productivity data, including the production of unit cost information whenever appropriate or required by NPS.

5. Advance payments. Procedures shall be established to minimize the time elapsing between the advance of funds from the U.S. Treasury and disbursement by the grantee. When advances are made by letter of credit method, the grantee shall make drawdowns from the U.S. Treasury as close as possible to the time of making the disbursements. Advances made by grantees to subgrantees must conform substantially to the same standards of timing and amount as apply to advances by NPS to grantees, including requirements for timely reporting of cash disbursements and balances.

6. Allowable costs. Procedures shall be established for determining reasonableness, allowability, and allocability of costs in accordance with the provisions of the applicable cost principles (see Chapter 12), the terms of the grant agreement, and this Manual.

7. Source documentation. Accounting records shall be supported by source documentation such as cancelled checks, paid bills, payrolls,

contract and subgrant award documents, etc. (See suggested documentation in Chapter 28.) Separate subgrant project records must be established and identified by the applicable NPS grant number.

8. Audit resolution. Each grantee shall follow a systematic method to assure timely and appropriate resolution of audit findings and recommendations (see Chapter 27). Audit standards for the National Trust are addressed in OMB Circular A -110, Attachment F, part 2.h.

9. Non-Federal audits.

   a. Governmental recipients. Recipients that are governments shall comply with the requirements concerning non-Federal audits in OMB Circular A-102 (see Chapter 27), including any amendments to those requirements published in the Federal Register by OMB.

   b. All other recipients. Recipients that are not governments shall comply with the requirements concerning non-Federal audits in OMB Circular A-110, including any amendments published in the Federal Register by OMB.

C. Additional Grantee Responsibilities.

1. Capable financial personnel. It is expected that the State Historic Preservation Officer has been delegated adequate executive responsibility for all grant-supported operations, including those of a financial nature. The SHPO must ensure that his or her organization's financial operations are conducted in accordance with the financial management standards listed above. The SHPO, on behalf of the State, is deemed accountable by NPS for meeting all statutory, regulatory, or other financial requirements; and for ensuring that generally accepted principles of accounting are applied, that an effective relationship exists between the SHPO and the chief financial officer responsible for grant financial management; and that the chief financial officer is adequately trained and competent to administer the amounts of funds controlled by the grantee.

2. Grantees are encouraged to execute contracts with its subgrantees and subcontractors which provide for the recovery of payments when performance requirements are not met.

3. Accounting system certification.

   a. Grantees must comply with the standards for financial management systems set forth above in order to receive or continue receiving financial assistance from NPS. In determining whether a grantee organization can adhere to these standards, the grantee may be requested to submit an accounting system certification. Generally, grantees who have had past experience in administering other Federal grants will not have to demonstrate further that their financial management systems are in compliance with these standards. However, they may be requested to do so in individual cases.

b. The accounting system certification shall state that the grantee (or, if applicable, its subgrantees) have established an adequate accounting system with appropriate internal controls to safeguard assets, to check the accuracy and reliability of accounting data, to promote operating efficiency, and to encourage compliance with prescribed management standards set forth above and any additional fiscal and accounting requirements established by NPS.

c. The certification may be furnished by the appropriate State financial officer who accepts responsibility for providing required financial services to the grantee. A form which serves as an accounting system certification will be furnished to grantees as appropriate.

d. Although accounting system certifications would usually be required prior to the initial NPS grant, there may be instances when a new certification will be required from an ongoing grantee. (For example, when there has been a significant increase in the amount of funds provided by NPS, or when audits indicate severe fiscal problems.) A grantee will be notified in writing if a new certification must be submitted.

## D. Applicability to Subgrantees and Subcontractors.

1. General. The grantee shall require its subgrantees and subcontractors to comply with these financial management standards. Requirements, as they apply to subgrantees, will be included in the terms and conditions of subgrants and subcontracts awarded by grantees under HPF grants.

2. Subgrantee organization or subcontractor. Prior to a release or commitment of any project funds to a subgrantee organization or subcontractor, the grantee should receive from that organization or subcontractor an adequate accounting system certification or other written assurance appropriate to the amount of the subgrant or subcontract awarded. This certification or other assurance must be retained by the grantee as part of its project records, but need not be transmitted to NPS.

3. Individual subgrantee. This certification does not apply to individuals who receive subgrants, but the grantee is encouraged to adopt procedures to ensure that individual subgrantees are informed of the grantee's responsibilities under this section and the grantee's need to maintain adequate documentation. See Section B.2 above.

# CASH DEPOSITORIES

A. Purpose. This Chapter sets forth standards governing the use of banks and other institutions as depositories of funds advanced under grants in accordance with OMB Circular A-102, Attachment A (for States) and Circular A-110, Attachment A (for the National Trust).

B. Definitions.

1. Cash depository. A cash depository is a bank or other institution that has received Federal funds for release to the grantee upon request.

2. Letter of credit agreement. A letter of credit agreement is an arrangement under which NPS establishes a line of credit through the Federal Reserve system against which a grantee organization can draw funds for deposit in its commercial bank account as cash is needed.

C. Procedures.

1. Cash depositories. Except for situations described in paragraphs 2, 3, and 4 below, NPS will not:

   a. Require physical segregation of cash depositories for funds provided to a grantee;

   b. Establish any eligibility requirements for cash depositories for funds provided to a grantee.

2. Letter of credit agreements. A separate bank account will be required when applicable letter of credit agreements provide that drawdowns will be made when the grantee's checks are presented to the bank for payment.

3. Insurance coverage. Any monies advanced to a grantee that are subject to the control or regulation of the United States or any of its officers, agents, or employees (public monies as defined in Treasury Circular No. 176, as amended) must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage and the balance exceeding the FDIC coverage must be collaterally secured.

4. Minority banks. Consistent with the national goal of expanding the opportunities for minority business enterprise grantees and subgrantees are encouraged to use minority banks (i.e., a bank at least 50 percent of which is owned by minority group members). A list of minority-owned banks can be obtained from the Office of Minority Business Enterprise, Department of Commerce, Washington, D.C. 20230. (See Chapter 17, G.2.)

## FINANCIAL REPORTING AND PAYMENT REQUIREMENTS

A. Purpose. This Chapter sets forth reporting requirements for grantees to (a) summarize expenditures made and Federal funds unexpended for each award, report the status of Federal cash advanced, request advances and reimbursement when the letter-of-credit method is not used; and (b) to define methods of making payments to grantees. Instructions for completion of the applicable standard forms are included.

B. Policy. Methods and procedures for making payments to grantees, and by grantees to subgrantees, must minimize the time elapsing between the transfer of funds from the U.S. Treasury and the recipient's disbursements. Grant payments are made through a letter of credit for reimbursment (by means of the Electronic Funds Transfer System), or a reimbursement by Treasury check in accordance with the guidelines of OMB Circular A-102, Attachments H and J (for States), and OMB Circular A-110, Attachments G and I (for the National Trust), and U.S. Treasury Circular No. 1075. Grantees will not be required to submit more than the original and two copies of forms required under this Chapter.

Financial Status Report. Monthly financial status reports are prepared by the NPS Finance Division on automatic data processing equipment and disseminated to grantees to expedite and contribute to the accuracy of reporting. NPS does not normally require the submission of any grantee generated financial status report, but grantees are responsible for reviewing and commenting in writing whenever the NPS printout appears inaccurate, and grantees are required to reply in writing to any NPS requests to certify the accuracy of the NPS records.

When NPS has determined that a grantee's accounting system does not meet the standards for financial management systems contained in Chapter 22, it may require financial reports with more frequency or more detail (or both), upon written notice to the grantee, until such time as the standards are met.

C. Definitions.

1. Accrued expenditures. Accrued expenditures are the charges by a grantee during a given grant period requiring the provision of funds for: (a) goods and other tangible property received; (b) services performed by employees, contractors, subgrantees, and other payees; and (c) amounts "becoming owed" for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

2. Accrued income. Accrued income is the sum of (a) earnings from services performed by the grantee and from goods and other tangible property delivered to purchasers, and (b) amounts becoming owed to the grantee for which no current services or performance is required by the grantee.

3. Advance by Treasury Check. An advance by Treasury check is a payment from NPS made by Treasury check to a grantee upon its request (through submitting an SF 270, Request for Advance or Reimbursement; see Exhibit 24-A) or through the use of predetermined payment schedules before payments are made by the grantee. The maximum amount drawn is limited to $120,000 per fiscal year.

4. Federal funds authorized. Federal funds authorized means the total amount of Federal funds obligated by the Federal Government and authorized for use by the grantee.

5. Letter of credit. A Letter of Credit is an instrument certified by an authorized NPS official that authorizes a grantee to draw funds from the Treasury, to the grantee's commercial bank, in accordance with the provisions of Treasury Circular No. 1075, as revised.

6. Outlays. Outlays are charges made to the grant program or project. Outlays may be reported on a cash or accrual basis.

7. Reimbursement by Treasury Check. A reimbursement by Treasury check from NPS is a Treasury check paid to a grantee upon request through submitting an SF 270.

8. Program income. Program income is defined in Chapter 16. It may be reported on a cash or accrual basis, whichever is used by the grantee in reporting outlays.

D. Requirements for Advances. Advances may be made through the Treasury check method. The timing of advances and the procedures to be observed to assure that cash withdrawals from the Treasury occur only as and when essential to meet the needs of the grantee for its actual disbursements in accord with Treasury Circular No. 1075 are described below:

1. Timing and Amount of Advances. To the extent possible cash drawdowns shall be limited to the minimum amount necessary and shall be timed to be in accordance with immediate disbursements needs. In general, the grantee should initiate each drawdown at approximately the same time that checks are issued in payment of program liabilities, including those for allowable indirect costs, and in an amount approximately equal to the Federal share of these payments. In order to take advantage of the float on checks and minimize Federal borrowing, the grantee, whenever possible, should delay drawdowns until after the checks issued for disbursements have been sent to the payee.

2. Advances made by a grantee to a subgrantee shall conform substantially to the same standards of timing as indicated above.

3. The grantee shall make such reviews of the financial practices of subgrantees as are necessary to ensure against excessive withdrawals of cash from the U.S. Treasury and shall institute such remedial measures as may be necessary in the event of excessive withdrawals.

4. With respect to payments to subgrantees or contractors, grantees will not draw down amounts that are to be withheld to assure satisfactory completion of the grant assisted work. Such amounts are only to be drawn down and paid when grantees make final payment including amounts withheld.

5. Any monies advanced to the grantee must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage and the balances exceeding the FDIC coverage must be collaterally secure, in accordance with OMB Circular A-102, Attachment A. (See Chapter 23.)

E. Advance by Treasury Check. Treasury check advances may not exceed $120,000 annually.

In requesting an advance by Treasury check, grantees shall submit to the NPS Regional Office an original and two (2) copies of the SF 270, Request for Advance or Reimbursement. (See Exhibit 24-A.)

F. Qualifications for Letter of Credit.

1. Letter of Credit (through the Electronic Funds Transfer System) is the preferred method of payment for grantees that meet the following conditions:

    a. The grantee requests authorization from NPS for use of the Letter of Credit method of payment;

    b. The grantee has established or demonstrated to NPS the willingness and ability to establish procedures that will minimize the time elapsing between the transfer of funds and their disbursement by the grantee;

    c. The grantee's financial management system meets the standards for fund control and accountability prescribed in OMB Circular A-102, Attachment G (Standards for Grantee Financial Management Systems) for States and OMB Circular A-110, Attachment F (same title) for the National Trust; and

    d. NPS has reviewed the grantee's financial practices and found them to be adequate based on the grantee's past Letter of Credit experience, responsiveness to audit exceptions, and internal audit procedures.

2. Use of the Letter of Credit is not compulsory. In cases where the grantee elects not to use the Letter of Credit, or where the grantee does not meet the conditions in D.1. above, the Treasury Check method will be used.

3. Use of Letter of Credit will expedite receipt of cash. Instead of the 3 or 4 weeks typically required to obtain reimbursement by Treasury Check through NPS (see Part L below), funds will be wired Via Electronic Funds Transfer within 1 day.

4. Program regulations for the Letter of Credit are specified in 31 CFR 205.

G. Establishment of Letter of Credit.

1. Upon written request by a grantee, NPS will authorize use of this method when all the qualification requirements of section F(1) are met. See Section M below for required forms.

2. The criteria for a State to qualify for the Letter of Credit are:

   a. A fiscal audit performed within the last 2 years.

   b. Audit certification that the grantee has a sound system of internal controls and accounting sufficient to meet the standards of OMB Circular A-102, Attachment G for States, or Circular A-110, Attachment F for the National Trust.

   c. All amounts owed for recommended audit adjustments have been repaid (evidenced by written NPS acknowledgement of such repayment).

   d. Demonstrated acceptable performance in minimizing the time lapse between the transfer of funds from the U.S. Treasury, the actual expenditure of funds, and the prompt reporting of expenditures of advances drawn.

   e. Effective HPF fiscal management controls demonstrated by no billings to NPS resulting in an over-expenditure.

3. Implementation. Regional Office grant staff will review each request to establish a Letter of Credit for this purpose and recommend approval or disapproval to WASO/Preservation Assistance Division. Regional NPS staff will examine whether onsite visits and fiscal audits have shown that the State HPF program currently has a satisfactory accounting system in place and will assess NPS experience with the State's HPF financial management and adequacy of financial documentation. The Regional Office's written recommendation to WASO will address the above criteria in making its recommendation for approval.

Once the grantee has been approved for letter of credit it must utilize only this method unless the method is rescinded by NPS.

H. Return of Excessive Funds. When it is determined by NPS or the Department of the Treasury that the grantee is holding Federal funds in excess of its immediate cash needs, the grantee will be notified by NPS that such funds must be returned immediately. The grantee shall remit the amount due by check or money order payable to "Department of the Interior - NPS," submitted to: Collections Officer, Finance Division, National Park Service, P.O. Box 37127, Washington, D.C. 20013-7127.

At least monthly, NPS shall review each grantee's drawdowns and disbursements for reasonableness of cash balances on hand and the timing of drawdowns. The review may also extend to financial practices of each grantee to ensure against excessive withdrawals of Federal funds.

In the event NPS determines a grantee is making excessive withdrawals of cash, remedial measures such as changing the terms of the Letter of Credit, changing the conditions of drawdowns, requesting immediate refund of excessive funds to NPS, or suspending the grantees' use of the Letter of Credit shall be taken by NPS to ensure proper use of Federal funds.

As a rule, the Letter of Credit authorization may be suspended by NPS for any grantee that does not evidence liquidation of drawdowns within 30 days. An acceptably completed SF 272 (see Exhibit 24-B below) must be used to evidence liquidation of advances drawn.

I. Default Provisions. Any of the following events shall constitute default:

1. Termination of the grant by reason of fault of the grantee;
2. Failure by the grantee to observe any of the covenants, conditions or warranties of the letter of credit or grant provisions;
3. Failure by the grantee to make progress on the grant;
4. Unsatisfactory financial conditions by the grantee which endanger the performance of the grant;
5. Delinquency by the grantee in payment of taxes or of the costs of performance of the grant in the ordinary course of business;
6. Appointment of a trustee, receiver or liquidator for all or a substantial part of the grantee's property, or institution of bankruptcy, reorganization arrangement or liquidation proceedings by or against the grantee;

7. Service of any written attachment, levy of execution, or commencement of garnishment proceedings with respect to the letter of credit procedures; or

8. The commission of an act of bankruptcy.

J. NPS Actions upon Default. Upon the occurrence of any of the above conditions, NPS may, upon written notice to the grantee, withhold further drawdowns from the letter of credit and withhold further payments on the particular project upon the continuance of any such events of default for a period of thirty (30) days. After such written notice to the grantee, NPS may take the following additional actions as appropriate:

1. Revoke all or any part of the balance of the letter of credit;

2. Charge interest on advance payments outstanding during the period of any such default at the rate established by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat. 97) for the Renegotiation Board;

3. Demand immediate repayment of the unliquidated balance of advance payments; or

4. Take possession of and, with or without advertisement, sell at public sale (at which the Government may be the purchaser), or at a private sale, all or any part of the property on which NPS has a lien under the grant. After deducting any expenses incident to such sale, NPS may apply the net proceeds of such sale in reduction of the unliquidated balance of advance payments and in reduction of any other claims of NPS against the State.

5. The Regional Director or his/her designee can at any time notify the Preservation Assistance Division to request the NPS Finance Division to put a hold on a Letter of Credit if it has been determined that a State is not complying with program regulations, guidelines, or instructions issued by the Region.

K. Interest on Advances held by Defaulting Grantee or Subgrantee. No interest shall be charged to States for advance payments, except interest during a period of default. However, the grantee shall charge interest at the rate established by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat. 97) for the Renegotiation Board on subadvances or down payments to subgrantees and such interest will be credited to the account of the Federal Government.

The National Trust must refund all interest earned on outstanding advances.

L. Reimbursement by Treasury Check Payment Method. In requesting reimbursement by Treasury check, the grantee shall submit to NPS one (1) original and two (2) copies of the "Request for Advance or Reimbursement" (SF 270) to the NPS Regional office. (See Exhibit 24-A.)

An SF 270 must be submitted for each grant separately. NPS encourages all grantees who qualify to use the Letter of Credit system, to avoid the longer processing time necessary for requesting reimbursement by Treasury check with the SF 270.

M. Required Forms. The following documents are required when utilizing the letter of credit method:

1. Authorized Signature Card. The letter of credit method of financing is initiated by the grantee executing three (3) signature cards (SF 1194, see page 14, Instructions for Completing the SF-1194.

2. Letter of Credit (SF 1193-A). A Letter of Credit is an instrument prepared and certified by NPS which authorizes a grantee to draw funds when needed to pay for the Federal share of program disbursements (see Exhibit 24-C). A duplicate copy of this form will be sent to the grantee by NPS.

Note: Once a Letter of Credit is established, grantees will be notified by telephone when certain subsequent requested revisions have been executed. Such revisions include changes in authorized grantee signatures.

3. Report of Federal Cash Transactions (SF 272). Submission of the SF 272 (Exhibit 24-B) is required within 30 days to report expenditure of any advances drawn through an SF 270.

   a. When funds are advanced to grantees through Treasury checks, each grantee will submit the Report of Federal Cash Transactions, SF 272, prescribed by Attachment H of OMB Circular A-102 (see OMB Circular A-110, Attachment G, for the National Trust). This report will be used by NPS to monitor cash advanced to grantees and to obtain disbursement or outlay information for each grant from the grantee. Instructions for completing the SF 272 are found on the back of Exhibit 24-B. The format of the report may be adapted as appropriate when reporting is to be accomplished with the assistance of automatic data processing equipment, provided that the information to be submitted is not changed.

   b. Forecasts of Federal cash requirements may be required in the "Remarks" section of the report.

c. For all Treasury Check advances, grantees must submit the Report of Federal Cash Transactions, SF 272, no later than thirty (30) days following the receipt of advance funds. A signed original and two (2) copies of the Federal Cash Transactions Report (SF 272) must be submitted to NPS.

d. When a grantee draws an advance it will submit a Federal Cash Transactions Report (SF 272) at least monthly, if not more often, showing expenditure of the funds advanced. If funds drawn in advance have not been fully expended within 30 calendar days, any outstanding balance must be returned to NPS. (See Section H.)

e. A Federal Cash Transactions Report (SF 272) is not submitted for any reimbursement drawn under the Letter of Credit.

4. Requests for forms should be addressed to:

U.S. Department of the Interior
National Park Service
Division of Finance
P.O. Box 37127
Washington, D.C. 20013-7127

N. Incomplete Forms.

1. The Federal Cash Transactions Report, SF 272, will be returned to the grantee without action by NPS when one or more of the following or other substantive errors exist:

a. The report period (No. 10) indicates costs were incurred prior to the NPS approved beginning date or after the approved ending date.

b. Both the project (grant) name (No. 14) and the project number (No. 4) are not identified.

c. The SHPO or other authorized designee's certifying signature (No. 15) is not included.

d. Mathematical errors exist.

2. Requests for advance or reimbursement, Standard Form 270, will be returned to the grantee without action by NPS when one or more of the following or other substantive errors exist:

a. The reporting period (No. 8) indicates costs were incurred prior to the NPS approved beginning date or after the approved ending date.

b. Both the project name and the project number (No. 4) are not identified. Grantees must include the project name in the space at the bottom of the form.

c. The cumulative total of Federal funds previously requested (No. 11h) is incorrect.

d. Mathematical errors exist.

e. The grantee has failed to comply with grant award special conditions.

f. Reports of liquidations of advances are overdue.

g. The SHPO or other authorized designee's certifying signature (No. 13) is not included.

O. Withholding of Payments. Unless otherwise required by law, payments for proper charges incurred by grantees will not be withheld at any time during the grant period unless (1) the grantee has failed to comply with program requirements or objectives, grant award conditions, or NPS reporting requirements, or (2) the grantee is indebted to the United States and collection of the indebtedness will not impair accomplishment of the objectives of any grant program sponsored by the United States. Under such conditions, NPS may, upon reasonable notice, inform the grantee that payments will not be made for costs incurred after a specified date until the conditions are corrected or the indebtedness to the Federal Government is liquidated (see Chapter 26).

Cash withheld for failure to comply with reporting requirements but without suspension of the grant will be released to the grantee upon subsequent compliance. When a grant is suspended, payment adjustments will be made in accordance with Chapter 26. When a debt is to be collected, NPS may withhold payments or require appropriate accounting adjustments to recorded grant cash balances for which the grantee is accountable to the Federal Government, in order to liquidate the indebtedness.

P. Instructions for Use of Letter of Credit under the Treasury Financial Communications System for Electronic Funds Transfer.

1. General Information. A letter of credit is an instrument certified by the National Park Service which authorizes a grantee to draw grant apportioned funds when needed from the U.S. Treasury through the

Letter of Credit-Treasury Financial Communications System (LOC-TFCS), by an application of Electronic Funds Transfer (EFT). Under a letter of credit authorization, the grantee submits a Request for Funds, (Form TFS 5805) for payment to its financial institution. The financial institution reviews the TFS Form 5805 for completeness, ensures that the amount requested has not been altered, and compares the signature(s) appearing on the TFS Form 5805 to the related signature card on file at the bank.

If the information provided is complete, the amount requested is not altered, and the signature(s) is acceptable, a request for funds message is transmitted electronically by the grantee's financial institution via the Federal Reserve Communication System (FRCS) to the U.S. Treasury.

The U.S. Treasury will perform an edit review of each request for funds message and, based on this review, will determine if a request should be paid. If the request is approved for payment, the U.S. Treasury, on the workday following receipt of the request for funds message, will wire funds through the FRCS for credit to the grantee organization's account at its financial institution.

2. Grant Conditions not affected. The use of the LOC-TFCS is a means of delivering authorized funds to the grantee. Its use does not change any grant conditions or requirements; accordingly:

   a. A Grant Agreement must be executed before cash can be drawn against the letter of credit by the grantee for disbursement. The letter of credit does not authorize these disbursements.

   b. Cost records must be maintained to support payments requested and such records are subject to fiscal audit.

   c. The amounts of cash drawdowns cannot exceed the Federal share as shown on the Grant Agreement, nor can it exceed the amount actually available when a grant is approved subject to the availability of funds.

3. Requirements. By reference, the following paragraph becomes a part of each Grant Agreement financed through a letter of credit:

   The grantee commits itself to (1) the practice of initiating cash drawdowns only when actually needed for its disbursements, (2) the timely reporting of cash disbursements and balances as required by the Service, and (3) the imposition of the same standards of timing and amount upon any secondary recipients, including the furnishing of reports of cash disbursements and balances with the understanding that failure to adhere to these provisions may cause the unobligated portion of the letter of credit to be revoked by the Service or by the Department of the Treasury.

The grantee must establish and follow procedures that will minimize the time elapsing between the transfer of funds from the Treasury and their disbursement. Cash drawdowns shall be limited to the minimum amount necessary and timed to be in accordance with immediate disbursement needs. However, requests for funds shall not ordinarily be more frequent than daily or be in amounts less than $5,000 (or more than $5,000,000).

In general, the grantee should initiate each request for funds at approximately the same time that checks are issued in payment of program liabilities, including those for allowable indirect costs, and in an amount approximately equal to the Federal share of these payments. In order to take advantage of the "float" on checks, the grantee, whenever possible, should delay drawdowns until after the checks issued for program disbursements have been sent to the payee.

The grantee financial management system must meet the standards for fund control and accountability prescribed in the National Register Programs Manual, Chapter 22, which incorporates Attachment G of OMB Circular A-102. Implicit is the provision of cash control and the ability to provide the reports required.

## 4. Procedures.

a. If a grantee not currently using the letter of credit method desires to begin doing so, it should contact the Preservation Assistance Division, (PAD), WASO.

b. The Preservation Assistance Division will determine, in consultation with the NPS Regional Office, if there is any indication that the grantee's financial management system does not meet program and Federal requirements for use of the LOC-TFCS. If there is no reason to deny the request, PAD (WASO) will send copies of the SF-1194, Authorized Signature Card for Payment Vouchers on Letter of Credit to the grantee. (See instructions for completion of signature card below.)

c. Together with the completed signature cards, a letter signed by the SHPO or President of the National Trust for Historic Preservation requesting the dollar amount to be established for the LOC must be submitted to PAD. The request shall not exceed the unexpended amount available at the time of the request and must also state that no drawdown will be less than $5,000 nor more than $5,000,000.

d. A Letter of Credit, SF 1193A, will be prepared by the NPS Finance Division (WASO). The original copy of the SF 1193A and of the SF 1194 will be forwarded to the U.S. Treasury. A copy of the approved SF 1193A is sent to the grantee organization by the Finance Division.

e. After the Letter of Credit is issued, the grantee may submit requests for funds on the TFS 5805 directly to its financial institution. A supply of these forms will be furnished by PAD. The TFS 5805 is a multi-purpose form which serves as a payment request as well as a status of funds report. (See the line-by-line instructions for completing the TFS Form 5805.)

f. If there are changes concerning an issued Letter of Credit, such as a change in name of the State agency or in the authorized signature(s), the grantee should immediately advise PAD.

5. Authorized Signature Card. An SF-1194, Authorized Signature Card for Payment Vouchers on a Letter of Credit, must be on file at the grantee organization's financial institution before a TFS Form 5805, Request for Funds, will be honored. Grantee organizations must, therefore, adhere to the following guidelines:

   a. The grantee organization will prepare and submit three (3) completed original SF-1194's at least four (4) weeks prior to implementation of the LOC-TFCS to PAD.

   b. The SHPO and/or other designated official of the grantee organization who has authority to designate the official(s) authorized to sign the TFS Form 5805 must certify the authenticity of the signature(s) appearing on the signature card (SF-1194) in block 8 of the card.

   c. One or more officials should be designated as authorized alternates to sign TFS Form 5805 in case of absence of the principal official. Grantee organizations should limit the authority to draw to the smallest practical number of officials.

   d. The U.S. Treasury requires only one signature on the TFS Form 5805; the grantee organization may, however, use a countersignature.

   e. A complete new set (three) of SF-1194's (Authorized Signature Card for Payment Vouchers on Letter of Credit) shall be submitted immediately should any of the following circumstances occur:

      1) Change and/or termination of official(s) authorized to sign the TFS Form 5805.

      2) Change in the name or address of the grantee organization.

      3) Change of financial institution.

f. An additional set of SF-1194's is required if more than four (4) officials are authorized to sign TFS Form 5805. A change in position or title of an official does not, by itself, require a new signature card. Facsimile signatures are not acceptable. The revised SF-1194 should be submitted to NPS at least four (4) weeks before the effective date. However, a minimum of 120 days notice is generally required whenever a State organization changes financial institutions.

## INSTRUCTIONS FOR COMPLETING THE SF-1194

| Block No. | |
|---|---|
| (1) Letter of Credit Number | Leave Blank. The letter of credit number is assigned by NPS (Finance Division). For subsequent signature changes, use the 8-digit number shown in the "Letter of Credit Number," block 2 on the Letter of Credit, SF-1193A, issued by NPS. |
| (2) Federal Reserve Bank | Line out "Federal Reserve Bank" and enter "For TFCS Payment Only". |
| (3) Standard Form 1194 | Leave blank on initial cards submitted to NPS. On subsequent changes, enter "Effective Date" and date. |
| (4) Letter of Credit Issued in Favor of (Grantee). | Enter name and address of grantee organization. |
| (5) Issued by | Enter: National Park Service, P.O. Box 37127, Washington, D.C. 20013-7127. |
| (6) Signature of Individuals Authorized to Draw on the Actual Letter of Credit | An "X" in the first box authorizes any one of the officials in block 7 to sign TFS Form 5805. (An "x" in the second box indicates a countersignature is required.) |
| (7) Typed Name and Signature | Type name(s) and signature(s) of person(s) authorized to sign and/or countersign TFS Form 5805. Erasures, strikeovers, correction tape or fluid, etc., are not acceptable. |

| | |
|---|---|
| **(8) Typed Name and Signature of Authorizing Officials** | Type name and date of signature of authorizing official (the official who has been delegated authority to approve the person(s) designated to sign TFS Form 5805). The authorizing official must sign (original signature), and date, each card submitted. If the authorizing official will also sign the TFS 5805, that name and signature will also appear in block 7. |
| **(9) Approved** | Leave blank. This will be completed by the responsible NPS official approving the TFCS Letter of Credit. |

## INSTRUCTIONS FOR REVERSE SIDE OF SF-1194

The grantee organization must provide the following information on the reverse side of one SF-1194:

a. The full name, title, address, and telephone number (including area code) of the contact person at the financial institution to whom the U.S. Treasury should forward the certified SF-1194.

b. The grantee organization's account number at the financial institution.

c. The American Bankers Association (ABA) nine-digit wire transfer routing number for the financial institution or correspondent transmitting the funds request message through FEDWIRE.

d. The telegraphic abbreviation of the transmitting financial institution.

e. The grantee organization's financial institution nine-digit ABA wire transfer routing number if a correspondent is used to transmit the funds request message, or the word "SAME" if the grantee organization's financial institution is the transmitting facility.

6. Reports. Use of the TFS Form 5805 is required when using the Letter of Credit-Treasury Financial Communications System payment method.

## TFS FORM 5805 - REQUEST FOR FUNDS

The following explains the information to be included on the TFS 5805, Request for Funds, Status of Funds and the Classification of Amounts Requested.

General. Financial information required on these forms is to be reported on the basis of the Federal fiscal year (October 1 through September 30). The forms must be prepared with no corrections or erasures. Do not use hyphens in preparing this form. **All amounts shown on the TFS 5805 form, Status of Funds and Classification of Amounts Requested shall represent the Federal share of grant cost.**

The grantee organization shall request funds by presenting a completed and signed TFS Form 5805 to its financial institution. Line-by-line instructions for properly completing the Form 5805 follow.

## INSTRUCTIONS FOR COMPLETING TFS FORM 5805

## SECTION I - MESSAGE FORMAT

| Block No. | |
|---|---|
| (1) PC (PRIORITY CODE) | Leave blank. This block is not completed by the grantee organization. |
| (2) TO | This preprinted block identifies the routing symbol of the U.S. Treasury. |
| (3) TYPE | This preprinted block identifies the message as a Request for Funds. |
| (4) FROM | Enter the 9-digit wire transfer routing number of the sending financial institution as shown on the Letter of Credit, SF-1193A, item (9d). |
| (5) CL (CLASS) | Leave blank. This item is not completed by the grantee organization. |
| (6) REF (REFERENCE NUMBER) | Leave blank. This item is completed by the financial institution transmitting the message. |
| (7) AMOUNT | Enter the total dollar amount of Federal funds requested. This amount must be properly punctuated to include the cents digits and must not exceed fourteen (14) positions. For example, total amount requested: $700,000.00. |
| (8) SPECIAL HANDLING INSTRUCTIONS | This block is preprinted, indicating the purpose of the message. |

| | |
|---|---|
| (9) SENDER | Enter the telegraphic abbreviation of the sending financial institution as shown on the Letter of Credit, SF-1193A, item (9e). |
| (10) RO BANK | (Recipient Organization's Financial Institution.) |

NOTE: If the grantee organization's financial institution is not the sending financial institution, i.e., the sending financial institution is acting as a correspondent bank for the grantee organization's financial institution, the grantee enters the nine-digit wire transfer routing number of its financial institution as shown on the Letter of Credit, SF-1193A, item (9f). If the grantee organization's financial institution is the sending financial institution, enter the word SAME in this block.

| | |
|---|---|
| (11) RECEIVER | This block is preprinted. |
| (12) TDO | (Agency Location Code of the U.S. Treasury Disbursing Center.)<br>If not preprinted, enter in parentheses the 3-digit code as shown on the Letter of Credit, SF-1193A, item (6). This code must be enclosed in parentheses. It is used to identify the servicing Treasury Disbursing Center. |
| (13) FPA - FEDERAL PROGRAM AGENCY | (Agency Location Code of the Federal Program Agency - Enter the NPS Finance Center Code; which is the same as the NPS agency station symbol.) |
| (14) LCN | (Letter of Credit Number.) Enter the 8-digit number as shown on the Letter of Credit, SF-1193A, Item (2). |
| (15) ACN | (Grantee Organization's Financial Institution Account Number.) Enter the account number at the financial institution to be credited with the funds requested as shown on the Letter of Credit, SF-1193A, item (9c). |

| | |
|---|---|
| (16) RQN | (Request Number.) TFS Forms 5805 are to be numbered consecutively starting with 001 and reverting back to 001 each October 1, the beginning of the Federal fiscal year. If a TFS Form 5805 is rejected, the next form submitted must be assigned the next consecutive number. |
| (17) BOH | (Balance on Hand.) Enter the total amount, to the nearest dollar, of Federal funds on hand at the time of submission of the TFS Form 5805. This amount must include commas and not exceed eleven (11) positions. For example, $10,787.52 will be shown as $10,788. |
| (18) DLR | (Date of Last Request.) Enter the date on which the preceding TFS Form 5805 was submitted for payment. For example: January 8, 1986, is entered as 010886. |
| (19) RON | (Recipient Organization Name.) Enter grantee organization name as shown in the "Treasury Checks to be Made Payable to" block on the Letter of Credit, SF-1193A, item (9b). |
| (20) THIRD PARTY INFORMATION | Enter NPS grant number(s) and amount(s) to be drawn. For example, #12-85-0995: $26,532 and #12-84-0851: $16,000. (The sum must equal the total in item (7) Amount.) |

## SECTION II - CERTIFICATION

| | |
|---|---|
| (21) DATE | Enter the date(s) the TFS Form 5805 is signed. |
| (22) SIGNATURE/COUNTERSIGNATURE | A representative(s) authorized (on the SF-1194 on file at the grantee organization's financial institution) must manually sign the TFS 5805 request for funds document. |
| (23) TITLE | Enter the title(s) of the individual(s) signing the TFS Form 5805. |

TFS FORM 5805--COPY DISTRIBUTION. Copies of TFS Form 5805 are distributed as follows:

--The original and duplicate copies (copies a and b) will be presented to the financial institution as early in the day as possible.

--The triplicate copy (copy c) is to be forwarded to the Finance Office, National Park Service, P.O. Box 37127, Washington, D.C. 20013-7127.

--The quadruplicate copy (copy d) is to be forwarded to the appropriate Grants Regional Office.

--The quintuplicate copy (copy e) will be retained by the grantee.

Exhibit 24-A

## REQUEST FOR ADVANCE OR REIMBURSEMENT

(See instructions on back)

Approved by Office of Management and Budget, No. 80-R0183

PAGE OF PAGES

1. TYPE OF PAYMENT REQUESTED
a. "X" one, or both boxes ☐ ADVANCE ☐ REIMBURSEMENT
b. "X" the applicable box ☐ FINAL ☐ PARTIAL

2. BASIS OF REQUEST ☐ CASH ☐ ACCRUAL

3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED

4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY

5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST

6. EMPLOYER IDENTIFICATION NUMBER

7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER

8. PERIOD COVERED BY THIS REQUEST
FROM (month, day, year)
TO (month, day, year)

9. RECIPIENT ORGANIZATION
Name
Number and Street
City, State and ZIP Code:

10. PAYEE (Where check is to be sent if different than item 9)
Name
Number and Street
City, State and ZIP Code:

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

| PROGRAMS/FUNCTIONS/ACTIVITIES ▶ | | (a) | (b) | (c) | TOTAL |
|---|---|---|---|---|---|
| a. Total program outlays to date | (As of date) | $ | $ | $ | $ |
| b. *Less:* Cumulative program income | | | | | |
| c. Net program outlays (*Line a minus line b*) | | | | | |
| d. Estimated net cash outlays for advance period | | | | | |
| e. Total (*Sum of lines c & d*) | | | | | |
| f. Non-Federal share of amount on line e | | | | | |
| g. Federal share of amount on line e | | | | | |
| h. Federal payments previously requested | | | | | |
| i. Federal share now requested (*Line g minus line h*) | | | | | |
| j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances | 1st month | | | | |
| | 2nd month | | | | |
| | 3rd month | | | | |

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

| | |
|---|---|
| a. Estimated Federal cash outlays that will be made during period covered by the advance | $ |
| b. *Less:* Estimated balance of Federal cash on hand as of beginning of advance period | |
| c. Amount requested (*Line a minus line b*) | $ |

13. CERTIFICATION

| | | |
|---|---|---|
| I certify that to the best of my knowledge and belief the data above are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested. | SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL | DATE REQUEST SUBMITTED |
| | TYPED OR PRINTED NAME AND TITLE | TELEPHONE (AREA CODE, NUMBER, EXTENSION) |

This space for agency use

270-102

STANDARD FORM 270 (7-76)
Prescribed by Office of Management and Budget

## INSTRUCTIONS

Please type or print legibly. Items 1, 3, 5, 9, 10, 11c, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

| *Item* | *Entry* |
|---|---|
| 2 | Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis. |
| 4 | Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement. |
| 6 | Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency. |
| 7 | This space is reserved for an account number or other identifying number that may be assigned by the recipient. |
| 8 | Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested. |
| Note: | The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports. |
| 11 | The purpose of the vertical columns (a), (b), and (c), is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page. |
| 11a | Enter in "as of date", the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees. |
| 11b | Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement. |
| 11d | Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance. |
| 13 | Complete the certification before submitting this request. |

GPO : 1976-[illegible]

Exhibit 24-B

# FEDERAL CASH TRANSACTIONS REPORT

*(See instructions on the back. If report is for more than one grant or assistance agreement, attach completed Standard Form 272-A.)*

Approved by Office of Management and Budget, No. 80-R0182

1. Federal sponsoring agency and organizational element to which this report is submitted

**2. RECIPIENT ORGANIZATION**

*Name* :

*Number and Street* :

*City, State and ZIP Code*:

**3. FEDERAL EMPLOYER IDENTIFICATION NO.** ▶

| | |
|---|---|
| 4. Federal grant or other identification number | 5. Recipient's account number or identifying number |
| 6. Letter of credit number | 7. Last payment voucher number |

*Give total number for this period*

| | |
|---|---|
| 8. Payment Vouchers credited to your account | 9. Treasury checks received (whether or not deposited) |

**10. PERIOD COVERED BY THIS REPORT**

| | |
|---|---|
| FROM (month, day, year) | TO (month, day year) |

| | | |
|---|---|---|
| **11. STATUS OF FEDERAL CASH**<br>*(See specific instructions on the back)* | a. Cash on hand beginning of reporting period | $ |
| | b. Letter of credit withdrawals | |
| | c. Treasury check payments | |
| | d. Total receipts *(Sum of lines b and c)* | |
| | e. Total cash available *(Sum of lines a and d)* | |
| | f. Gross disbursements | |
| | g. Federal share of program income | |
| | h. Net disbursements *(Line f minus line g)* | |
| | i. Adjustments of prior periods | |
| | j. Cash on hand end of period | $ |
| **12. THE AMOUNT SHOWN ON LINE 11J, ABOVE, REPRESENTS CASH REQUIREMENTS FOR THE ENSUING** *Days* | **13. OTHER INFORMATION** | |
| | a. Interest income | $ |
| | b. Advances to subgrantees or subcontractors | $ |

**14. REMARKS** *(Attach additional sheets of plain paper, if more space is required)*

**15. CERTIFICATION**

| | | | |
|---|---|---|---|
| I certify to the best of my knowledge and belief that this report is true in all respects and that all disbursements have been made for the purpose and conditions of the grant or agreement | AUTHORIZED CERTIFYING OFFICIAL | SIGNATURE | DATE REPORT SUBMITTED |
| | | TYPED OR PRINTED NAME AND TITLE | TELEPHONE *(Area Code, Number, Extension)* |

**THIS SPACE FOR AGENCY USE**

272-102

STANDARD FORM 272 (7-76)
Prescribed by Office of Management and Budget
Cir. No. A-110

# INSTRUCTIONS

Please type or print legibly. Items 1, 2, 8, 9, 10, 11d, 11e, 11h, and 15 are self explanatory, specific instructions for other items are as follows:

| *Item* | *Entry* |
|---|---|
| 3 | Enter employer identification number assigned by the U.S. Internal Revenue Service or the FICE (institution) code. |
| | If this report covers more than one grant or other agreement, leave items 4 and 5 blank and provide the information on Standard Form 272–A, Report of Federal Cash Transactions—Continued; otherwise: |
| 4 | Enter Federal grant number, agreement number, or other identifying numbers if requested by sponsoring agency. |
| 5 | This space reserved for an account number or other identifying number that may be assigned by the recipient. |
| 6 | Enter the letter of credit number that applies to this report. If all advances were made by Treasury check, enter "NA" for not applicable and leave items 7 and 8 blank. |
| 7 | Enter the voucher number of the last letter-of-credit payment voucher (Form TUS 5401) that was credited to your account. |
| 11a | Enter the total amount of Federal cash on hand at the beginning of the reporting period including all of the Federal funds on deposit, imprest funds, and undeposited Treasury checks. |
| 11b | Enter total amount of Federal funds received through payment vouchers (Form TUS 5401) that were credited to your account during the reporting period. |
| 11c | Enter the total amount of all Federal funds received during the reporting period through Treasury checks, whether or not deposited. |
| 11f | Enter the total Federal cash disbursements, made during the reporting period, including cash received as program income. Disbursements as used here also include the amount of advances and payments less refunds to subgrantees or contractors, the gross amount of direct salaries and wages, including the employee's share of benefits if treated as a direct cost, interdepartmental charges for supplies and services, and the amount to which the recipient is entitled for indirect costs. |
| 11g | Enter the Federal share of program income that was required to be used on the project or program by the terms of the grant or agreement. |
| 11i | Enter the amount of all adjustments pertaining to prior periods affecting the ending balance that have not been included in any lines above. Identify each grant or agreement for which adjustment was made, and enter an explanation for each adjustment under "Remarks." Use plain sheets of paper if additional space is required. |
| 11j | Enter the total amount of Federal cash on hand at the end of the reporting period. This amount should include all funds on deposit, imprest funds, and undeposited funds (line e, less line h, plus or minus line i). |
| 12 | Enter the estimated number of days until the cash on hand, shown on line 11j, will be expended. If more than three days cash reqirements are on hand, provide an explanation under "Remarks" as to why the drawdown was made prematurely, or other reasons for the excess cash. The requirement for the explanation does not apply to prescheduled or automatic advances. |
| 13a | Enter the amount of interest earned on advances of Federal funds but not remitted to the Federal agency. If this includes any amount earned and not remitted to the Federal sponsoring agency for over 60 days, explain under "Remarks." Do not report interest earned on advances to States. |
| 13b | Enter amount of advance to secondary recipients included in item 11h. |
| 14 | In addition to providing explanations as required above, give additional explanation deemed necessary by the recipient and for information required by the Federal sponsoring agency in compliance with governing legislation. Use plain sheets of paper if additional space is required. |

Exhibit 24-C

| | | |
|---|---|---|
| ISSUING AGENCY | **LETTER OF CREDIT**<br>Auth: Treasury Department Circular No. 1075, Revised | LETTER-OF-CREDIT NUMBER ________<br>AMENDMENT NUMBER ________ |
| AGENCY STATION SYMBOL | (FOR AGENCY USE) | EFFECTIVE DATE |

| | |
|---|---|
| TO: Treasury Disbursing Center or Regional Office | Address: |

In accordance with the authorization of the Fiscal Assistant Secretary, Department of the Treasury, there is hereby authorized for the account and responsibility of the issuing agency a letter of credit:

| | |
|---|---|
| IN FAVOR OF: | TREASURY CHECKS TO BE MADE PAYABLE TO: |

| | | | |
|---|---|---|---|
| AMOUNT AUTHORIZED<br>$ | TIME DESIGNATION<br>☐ EACH FISCAL YEAR<br>☐ WITHOUT TIME LIMIT | PRIOR AUTHORIZATION<br>$ | THIS CHANGE<br>Increase<br>$<br>Decrease<br>$ |

**Time Designation: Each Fiscal Year**

☐ The unpaid balance of this letter of credit is revoked at the end of each fiscal year and the full amount authorized is reestablished at the beginning of each fiscal year unless you are advised in writing that this letter has been revoked.*

OR

☐ The unpaid balance of this letter of credit is carried forward at the end of each fiscal year and will remain available during the following fiscal year and, in addition, the full amount authorized is reestablished at the beginning of each fiscal year unless you are advised in writing that this letter has been revoked.*

**Time Designation: Without Time Limit**

☐ The unpaid balance of this letter of credit will remain available until you are advised in writing that this letter has been revoked.*

The amount of this letter of credit is hereby certified to be drawn against, upon presentation to you of Standard Form 183, Request for Payment on Letter of Credit and Status of Funds Report, by the official(s) of the recipient organization whose signature(s) appear(s) on the Standard Form 1194, Authorized Signature Card for Payment Vouchers on Letter of Credit, attached hereto or previously or subsequently furnished you.

The amount of each Request for Payment paid by the Department of the Treasury to the recipient organization at a designated commercial bank shall constitute payment to the recipient organization by the United States.

I certify to the Department of the Treasury that the payments authorized herein are correct and proper for payment from the appropriations or funds legally committed and available for the purpose, when paid in accordance with the terms and conditions cited above.

*This letter of credit is irrevocable to the extent the recipient organization has obligated funds in good faith thereunder in executing the authorized Federal program in accordance with the grant, contract, or other agreement.

DATE CERTIFIED ________________

________________
AUTHORIZED CERTIFYING OFFICER

________________
TYPED NAME AND TITLE

1193-201

ORIGINAL - Federal Program Agency will forward this copy to Treasury Disbursing Office.

STANDARD FORM 1193A
October 1976
PRESCRIBED BY DEPT. OF TREASURY
I TFRM 6-8000

# MONITORING AND REPORTING PROGRAM PERFORMANCE

A. Purpose. This Chapter sets forth procedures and requirements for monitoring and reporting grantee program performance in accordance with OMB Circulars A-102, Attachment I, for States and A-110, Attachment H, for the National Trust.

B. Standard for Monitoring by Grantees. The States and the National Trust for Historic Preservation, as grantees, are responsible for administering and monitoring their own HPF-assisted activities and activities performed under their subgrants and contractual agreements, including those of certified local governments, to ensure that schedules are being met, work units projected by time periods are being accomplished, and other performance goals are being achieved under the provisions of this Manual. Each program, function, or project activity is to be included to assure that adequate progress is being made towards achieving the objectives of the grant or subgrant as set forth in the approved grant application and grant award document. HPF grant funds shall not be paid for any work or activity that does not conform to the terms and conditions of the NPS Grant Agreement, including the appropriate Secretary's Standards, and the specified scope of work. This prohibition also applies to the cost of goods and services claimed as matching share for HPF monies. While the contractual agreement between the grantee and any third party should include enforceable provisions allowing the grantee to recover any misapplied funds that may have been disbursed, the grantee is in any case responsible to NPS for repayment of misapplied funds.

C. Basis for Required Performance Reports. The OMB Circulars specify the following procedures:

Grantees shall submit performance or technical reports to Federal agencies in the frequency established by Attachment H of OMB Circular A-102 (Attachment G of Circular A-110) and, where appropriate, a final technical or performance report after the completion of the project on a date specified by the Federal agency. Performance reports shall not normally be required more frequently than quarterly or less frequently than annually. Federal agencies may waive the requirement for grantees to submit performance reports under the following circumstances:

a. When the grantee is required to submit a performance report with a continuation or renewal application.

b. When the Federal agency determines that on-site technical inspections and certified completion data will be sufficient to evaluate construction projects.

Between the required performance reporting dates, events may occur which have significant impact upon the project or program. In such cases, the grantee shall inform the grantor agency as soon as the following types of conditions become known:

a. Problems, delays, or adverse conditions which will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any Federal assistance needed to resolve the situation.

b. Favorable developments or events which enable meeting time schedules and goals sooner than anticipated or producing more work units than originally projected.

If any performance review conducted by the grantee discloses the need for change in the budget estimates in accordance with the criteria established in Attachment K to Circular A-102 (Attachment J in A-110), the grantee shall submit a request for budget revision.

The grantor agency shall make site visits as frequently as practicable to:

a. Review program accomplishments and management control systems.

b. Provide technical assistance as may be required.

These requirements are addressed by use of two performance reports: 1) An annual "End-of-Year Report" and 2) "Final Project Reports."

D. End-of-Year Report. This report provides a framework for NPS and grantees to assess overall results during the annual (October 1 through September 30) grant period compared to planned levels of performance specified in the grant application and approved through the Grant Agreement. It includes all activities for which costs were incurred during the grant period whether funded by Continuation Grant, Regular Appropriation grant, or partial appropriation such as grants awarded under a Continuing Resolution. This report provides NPS with information useful for planning technical assistance and for appropriations hearings. In addition, the data may be used in HPF apportionments for determining allocations of appropriated funds.

Submittal Information for SHPOs.

Two copies, (an original and one copy) of the End-of-Year Report shall be submitted to the NPS grant awarding office on or before November 1. In the event of an earlier than usual apportionment, NPS may ask for selected portions of the End-of-Year Report prior to November 1.

Failure to make a timely submittal of the End-of-Year Report or failure to make timely revisions of deficiencies, if any are cited by NPS, may have the following consequences:

a. The End-of-Year Report for each fiscal year must be submitted and approved prior to NPS processing materials for the next fiscal year. Therefore, the regular appropriation application will not be processed until the End-of-Year Report is approved.

b. No requests for reimbursement will be processed for activities funded by the Continuation Grant until all reports for the prior year have been approved. (See Chapter 26, Section D.)

c. Failure to supply adequate data will have an effect on the subsequent HPF apportionment.

d. Failure to provide adequate data may result in the State being identified in the NPS Congressional report on HPF statistics.

e. NPS may take other appropriate administrative action.

Special requirement.

There may be instances where more frequent reporting will be required, e.g. when the grantee has a history of poor performance. In these instances, NPS may require, as a condition of the grant, that progress reports be filed on a quarterly or semiannual basis. More frequent reporting is NOT intended to be imposed routinely, but rather as an exception.

The End-of-Year Report for SHPOs requires completion of the following items: Attachment A (See Chapter 7); Project Status Report; Statement of Technical Assistance Needs; Special Condition fulfillment; "Considered Eligible" property list; and Attachment B, Sources of Nonfederal Matching Share.

1. Attachment A.

   a. Complete the "Actual" columns for all Program Areas, describing all activities conducted during the report period with all funds, including the Continuation Grant.

   b. Complete the "Summary of Outlay and Effort" sheet. The grand total of outlay in the HPF column should equal the sum of all funds awarded during the fiscal year minus the amount carried over into the subsequent fiscal year.

   c. Refer to the Glossary and Guidelines for Completing Attachment A (Chapter 7) before entering any data. This will enable States to distinguish between items that should be included in this report and those that should be counted in the following year. (For example, how to handle a survey subgrant funded in a fiscal year but not completed in that fiscal year).

   d. Outlay, Effort, and Products to be performed as part of the subsequent year's Continuation Grant should not be included.

e. Predevelopment costs may be included in Outlay, Effort, and Products only if HPF monies were used from an appropriation which allowed predevelopment work as an eligible HPF cost.

f. NPS will review Attachment A to verify that there has been activity in all Program Areas except where States have been exempted by law or in writing by NPS.

g. As part of Attachment A, States must provide the following documentation for "Products" data used for HPF apportionment purposes:

1) A list of consensus determinations of eligibility including the dates that the properties were determined eligible.

The number of determinations should equal the number for the "Actual Considered Eligible" category for the "Products" section of the Review and Compliance Program Area.

If 36 CFR 63.3 concerning consensus determination is not in effect, States may supply the required information as part of the "Considered Eligible Property List." (See Section D.5 below.) Do not include formal Determinations of Eligibility made by NPS.

2) A list of new programmatic memoranda of agreement (PMOAs) by name and date of ratification by the Advisory Council on Historic Preservation (ACHP).

3) A list of PMOAs renewed or revised from a PMOA in effect during some part of the previous fiscal year. The list must include the names of each PMOA and the date of ratification by ACHP.

4) A list of new project memoranda of agreement (MOAs) by name and date ratified by the Chairman of ACHP.

5) A list of project MOAs revised from a project MOA in effect during some part of the previous fiscal year. The list must include the name of each project MOA and the date of ratification by ACHP.

6) A list of ACHP Findings of Conditional No Adverse Effect. The list must contain the name of the project and the date of the ACHP finding.

7) A list of Categorical Exclusions agreed to during the fiscal year. The list must include the Federal agency name, a description of the action and the date the agreement was finalized.

2. Project Status Report

States must list the status of all Project Notifications (Informational SF 424s) completed during the fiscal year. For each project, list "Project Name", "Grant Number", and one of the following "Status" descriptions:

-- Complete
-- Amended and Complete
-- Cancelled

Note: Carried over subgrants must be listed on the Listing of Continuing Contractual Commitments (see Exhibit 7-F.)

3. Statement of Technical Assistance Needs.

Describe specific technical assistance needed from NPS. This statement should include needs generated by problems occurring during the reporting period as well as problems anticipated in the upcoming year. Any aspect of the grant-assisted program may be included.

4. Special Condition Fulfillment.

Provide a statement by the SHPO certifying that all special conditions applicable to funds expended during the reporting period have been fulfilled. These conditions should be referenced by name, number/letter, and date.

5. "Considered Eligible" Property List.

Provide a statement by the SHPO certifying that the State has sent to the National Park Service the list/count of properties "considered eligible" by the State and Federal agency for listing in the National Register of Historic Places. This will be done only if suspension of 36 CFR 63.3 on consensus determinations of eligibility has occurred. Therefore, the list/count referred to above applies only to actions taking place after the suspension takes effect. If 36 CFR 63.3 on consensus determinations is in effect, only the information needed for apportionment purposes is required (see Section D.1.g.1), above). If 36 CFR 63.3 is not in effect, the full range of information (as described below) is required for all actions taking place after 36 CFR 63.3 is taken out of effect. At a minimum, the list must include the date the State and the Federal agency agreed to the property's eligibility, the name, county, and street location of each property that is "considered eligible" by the State and Federal agency, and that will not lose its eligibility because of the Federal project. States have the option of providing the same information or just a count of those properties "considered eligible" but whose eligibility has been or will be destroyed.

6. Attachment B--Sources of Nonfederal Matching Share.

   a. Pursuant to P.L. 96-205, this Attachment is optional for American Samoa, Commonwealth of the Northern Mariana Islands, Guam, Trust Territory of the Pacific Islands, or the Virgin Islands. Puerto Rico and the States must submit Attachment B.

   b. The summary format found in Exhibit 25-A must be used to report this information.

   c. The word "contributed" refers to funds matching that part of the Federal share disbursed for activities performed during the fiscal year grant reporting period. This includes matching share for activities assisted with funds carried over from the previous fiscal year. It does not include funds for matching costs contributed in the following fiscal year as part of the next Continuation Grant. Contributed funds that are NPS-approved preagreement costs should not be included in the Attachment B.

   d. Include funds matching Acquisition or Development projects that were still active during the reporting period.

   e. List only nonfederal share of cash, goods, services, or property.

   f. The "Federal" source column means Community Development Block Grant or other Federal funds which by law governing those funds may be used as nonfederal share to match other Federal grants (such as Historic Preservation Fund grants). (See Chapter 14.) Do not enter the HPF grant award in this row.

   g. The "Commercial Organization" source column means any "for profit" or business organization.

   h. The "Private" source column means an individual or family unit not contributing as a private non-profit or commercial organization.

   i. The 70/30 columns must show a total matching share at least equal to the minimum amount required to match the total HPF 70/30 award (as shown on the SF 424s) minus any matching share that is to be used to match the 70/30 HPF funds carried over into the following fiscal year as part of the Continuation Grant. (Note that States are not required to use 70/30 funding for their survey and inventory activities; thus in some cases it would be appropriate for funds matching survey and inventory activities to be listed in the 50/50 columns.)

   j. The 50/50 columns must show a total matching share at least equal to the total HPF 50/50 awards (as shown on the SF 424s) minus any matching share that is to be used to match the 50/50 HPF funds carried over into the following fiscal year as part of a Continuation Grant.

7. End-of-Year Report by the National Trust. The National Trust shall submit a written End-of-Year Report detailing major accomplishments in areas specified by NPS. This Report is due not later than December 1. (See Chapter 8, Section E.)

E. Final Project Report. This report replaces the Completion Report previously required for acquisition or development grants funded on a project-by-project basis, and must be used for all acquisition or development project reports submitted after October 1, 1984. In addition, it is applicable to all projects/subgrants (including nonconstruction) assisted with fiscal year 1984 or subsequent years' funds. This Report should not be confused with reporting requirements documenting archeological investigations. (See Chapter 6, Section C.2.a. for archeological report requirements.)

Policy. HPF funds shall not be disbursed for any project or activity that does not evidence that: 1) planned work has been accomplished within the scope of the subgrant or contractual agreement summarized in the Project Notification (Informational SF 424); 2) work was done according to the applicable Secretary's Standards; and 3) work was done in accordance with the terms and conditions of the applicable HPF grant. In circumstances where funds are disbursed for ineligible activities, such costs shall be recovered in one of two ways: 1) funds shall be returned to the grantee by the subgrantee if the applicable 2-year Federal grant period has not expired (and a reprogramming amendment submitted to NPS for approval), or 2) funds shall be returned to NPS by the grantee if the grant period has expired.

1. Instructions for Completion of the Final Project Report.

For each project subgrant or contract, provide the requested information in the format specified in Exhibit 25-B. NPS expects grantees not to exceed this one page format unless there are exceptional circumstances.

1-3.
Provide title/name of subgrant/contract, and the NPS-assigned grant number(s) from which the subgrant/contract was funded. (Provide the National Register property name and address if development or acquisition work was performed with grant assistance.)

This is the title or property name identified on the Project Notification (Informational SF 424).

4. When a scope change amendment requiring NPS approval has been obtained, identify amendment and date of approval.

5. Describe differences between planned major work items as described in the Project Notification and the actual major work items performed. For both architectural and archeological development projects, compare work/cost items.

6. For major cost categories, describe any differences between the planned project budget estimate and the final expenditures billed, both Federal and nonfederal shares.

7. When the scope of work involves a publication, three copies of the publication produced under the subgrant/contract are to be submitted to NPS. Copies of the publication can either be enclosed with the Final Project Report or can be forwarded under separate cover. The Final Project Report should specify the date when the publication will be submitted to NPS.

8. If applicable, one original and one archival copy of HABS/HAER drawings must be submitted within 1 year of project completion.

9. Provide any information that may have been required by NPS special condition or instructions applicable to individual subgrants/contracts.

   Example: The number of full and/or part-time persons employed as a direct result of subgrants made under the Emergency Jobs Act of 1983, P.L. 98-8.

10. --I certify professionally qualified program and grants management staff of my organization have confirmed, through site visits and/or review of financial and performance reports that work under this subgrant (or contract) has been accomplished according to applicable laws, regulations, program standards, grant management requirements specified in the National Register Programs Manual, and the terms and conditions of the applicable HPF grant(s).

    For acquisition or development work provide the appropriate certification statement:

11. The covenant or letter of agreement has been satisfactorily executed prior to release of HPF assistance and a copy has been obtained by the SHPO for monitoring purposes.

    OR

    The State accepts the responsibility for the continued maintenance, repair, and administration of the property required by Section 102(a)(5) of the Act rather than through the execution of a covenant with the property owner. NPS written concurrence with this procedure was obtained on (insert date of NPS concurrence).

12. For acquisition or development work provide labeled photographs (5" x 7" or larger) identifying work performed with grant assistance. Photographs must illustrate the "before development conditions" and the "after development appearance" (1 each) of the property.

Provide signature of SHPO (or President, National Trust) and date of signature.

Provide enclosure(s), as applicable.

2. Submission Information. An acceptable Final Project Report for each subgrant project must be submitted to NPS within 90 days of the project end date.

F. Delinquent Reports.

1. Policy. It is the policy of NPS to take administrative action to ensure that grantees submit all required reports on a timely basis. The failure of a grantee to submit acceptable reports within the prescribed time will result in suspension of the grantee's letter of credit and/or withholding of NPS action on Requests for Advance or Reimbursement until the delinquent reports are submitted. In addition, NPS may elect to withhold the award of additional grants until the delinquency is resolved.

2. Procedure. Grantees whose Final Project Report, End-of-Year Report or financial reports (e.g., liquidations of advances) have not been received by the required due date will be notified in writing that the report has not been received, and that the report must be received within 2 weeks. If, after 2 weeks, no satisfactory response is provided, the grantee will be advised in writing of the action to be taken. (See Chapter 26.)

G. NPS On-site Review. In addition to the State Program Reviews (see Chapter 30), NPS will make site visits as frequently as practicable to review program accomplishments and management control systems; and to provide technical assistance.

EXHIBIT 25-A

ATTACHMENT B -- SOURCES OF NON-FEDERAL MATCHING SHARE    STATE: ______    FY 19__

Grantees shall supply the following data on nonfederal matching share. Documentation on file with the grantee should support the total amount claimed as contributed during the Federal fiscal year.

| | 70/30 GRANT ACTIVITIES (IF ANY) | | | 50/50 GRANT ACTIVITIES | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|
| SOURCE OF MATCH | CASH ($) | DONATED GOODS, SERVICES & PROPERTY ($) | TOTAL ($) | CASH ($) | DONATED GOODS, SERVICES & PROPERTY ($) | TOTAL ($) | CASH ($) | DONATED GOODS, SERVICES & PROPERTY ($) | TOTAL ($) |
| Federal | | | | | | | | | |
| State | | | | | | | | | |
| Regional | | | | | | | | | |
| County | | | | | | | | | |
| Certified Local Govern. | | | | | | | | | |
| Municipal | | | | | | | | | |
| Educational Institution | | | | | | | | | |
| Private Non-profit | | | | | | | | | |
| Commercial Organization | | | | | | | | | |
| Private | | | | | | | | | |
| Totals | | | | | | | | | |

EXHIBIT 25-B

**FINAL PROJECT REPORT** (if attached to copy of Informational SF 424, skip items 1-3.)

1. Project title/name:

2. NPS grant number(s):

3. National Register property name/address:

4. Identify any amendments and their approval dates:

5. Describe differences between planned and actual major work items:

6. Describe differences between planned and actual major cost categories:

7. Date three copies of any publications will be forwarded to NPS:

8. Date any HABS/HAER documentation will be submitted to NPS:

9. Provide any other data required by special conditions or instructions applicable to individual subgrants/contracts (on reverse side).

10. Certification: I certify professionally qualified program and grants management staff of my organization have confirmed, through site visits and/or review of financial and performance reports that work under this subgrant (or contract) has been accomplished according to applicable laws, regulations, Secretary of the Interior's Standards, other program standards, grant management requirements specified in the National Register Programs Manual, and the terms and conditions of the applicable HPF grant(s).

11. If the subgrant/contract is for acquisition or development, initial one of the following:

_____ The covenant or letter of agreement has been satisfactorily executed prior to release of HPF assistance and a copy has been obtained by this office for monitoring purposes.

OR

_____ The State accepts the responsibility for the continued maintenance, repair, and administration of the property required by Section 102(a)(5) of the Act rather than through the execution of a covenant with the property owner. NPS written concurrence with this procedure was obtained on ____(date)____.

Signed: ______________________________ ______________
SHPO or President, National Trust Date

Enclosure: Labeled photographs

## GRANT CLOSEOUT, SUSPENSION, AND TERMINATION

A. Purpose. This Chapter sets forth procedures for grant closeout, suspension, and termination, in accordance with OMB Circular A-102, Attachment L (for States) and Circular A-110, Attachment L (for the National Trust). The Circulars require NPS to provide procedures when a grantee has failed to comply with the terms of the grant conditions or standards. In such circumstances, the NPS may, upon reasonable notice to the grantee, withhold further payments, suspend the grant, or prohibit the grantee from incurring additional commitments of grant funds pending corrective action by the grantee or an NPS decision to terminate the grant.

B. Closeout Procedures. The closeout of a grant is the process by which NPS determines that all applicable administrative actions and all required work of the grant have been completed by NPS and the grantee, and a Federal audit conducted.

1. Each grant shall be closed out as promptly as is feasible after expiration or termination.

2. In closing out HPF grants, the following shall be performed:

    a. Upon request, NPS shall promptly pay the grantee for any allowable reimbursable costs not covered by previous payments.

    NOTE: It is the responsibility of the grantee to assure that all work conducted under grants, including its subgrants or other agreements, is performed in keeping with the Secretary of the Interior's Standards and Guidelines, the terms and conditions of the applicable HPF grant, and the scope of the NPS-approved grant or subgrant agreement. Costs not in conformance with these requirements shall not be reimbursed with HPF monies. (See Chapter 13, Section D, Unallowable Costs.) Ineligible or improper payments issued by a grantee must be recovered.

    b. The grantee shall immediately refund or otherwise dispose of any outstanding cash balance advanced to the grantee in accordance with instructions from NPS.

    c. The grantee shall submit, within 90 days of the date of expiration or termination, all financial, performance, and other reports required by the terms of the grant. This includes End-of-Year performance reports, any Final Project Reports, or any other special reports which may have been required as a condition of the grant. When conditions of the grant specify earlier timeframes, acceptance by the grantee shall be construed to mean acceptance of the earlier reporting requirement. NPS may, at its discretion, extend the due date for any report upon receiving a justified written request for extension of time from the grantee, and may waive any report that is not needed. Failure of the grantee to submit required reports may result in withholding of funds, suspension or termination of HPF assistance.

   d. NPS will make upward or downward adjustments of the Federal share of costs to the extent called for by the terms and conditions of the grant.

3. The closeout of a grant does not affect the retention period for, or Federal rights of access to, grant records (see Chapter 28).

4. If a grant is closed out without audit, NPS retains the right to disallow and recover an appropriate amount after fully considering any recommended disallowances resulting from an audit which may be conducted later.

5. The closeout of a grant does not affect the grantee's responsibilities with respect to property or equipment purchased with grant assistance as specified in Chapter 20, "Property Management Standards," or with respect to any program income for which the grantee is still accountable. See Chapter 16.

6. The closeout of a grant does not affect the grantee's responsibilities with respect to preservation covenants or agreements entered into as a condition of HPF grant assistance (see Chapter 6).

C. Amounts Payable to the Federal Government. For each grant, the following shall constitute a debt(s) owed by the grantee to the Federal Government, and shall, if not paid upon demand, be recovered from the grantee or its successor or assignees by set-off or other action as provided by law:

1. Any grant funds paid to the grantee by the Federal Government in excess of the amount to which the grantee is finally determined to be entitled under the terms of the grant;

2. Any interest or other investment income earned on advances of grant funds which is due the Federal Government (see Chapter 16);

3. Any amounts due the Federal Government under OMB Circular A-102, Attachment N (see Chapter 20, "Property Management Standards");

4. Any other amounts finally determined to be due the Federal Government under the terms of the grant(s).

D. Withholding of Funds, Suspension, and Termination.

1. Applicability. When a grantee has materially failed to comply with grant award stipulations, terms, standards, or conditions of a grant, NPS may suspend the grant, terminate the grant for cause, or take such other remedies as may be legally available and appropriate under the circumstances. The approval of a grant and any subsequent payments made under the grant will not prevent NPS from withholding funds because of the grantee's failure to observe applicable Federal requirements. A Continuation Grant may be suspended or terminated for failure to submit a report or documentation due from the prior grant period, or payment withheld pending compliance by the grantee.

2 Withholding of payments. NPS may withhold payments otherwise due to a grantee if the grantee has failed to comply with NPS reporting requirements, the HPF program objectives, requirements, standards or grant award conditions. A written advance notification will be sent by NPS to the grantee to identify the deficiency and to express the intent to withhold future payments if the deficiency is not corrected by a specific date. If the deficiency is not corrected promptly, NPS will notify the grantee by letter that payments will not be made until the deficiency is corrected. When the deficiency is fully corrected, payments will be released. Continued noncompliance or grantee failure to act may result in suspension or termination. (Under grant suspensions or terminations, not only are payments withheld, but no additional costs, or only very limited additional costs, may be authorized by NPS to be incurred by the grantee.) NPS may also withhold payments to the extent of any grantee indebtedness to the United States.

3 Suspension. Suspension is action taken by NPS which temporarily withdraws or limits a grantee's authority to utilize HPF grant assistance pending corrective action by the grantee as specified by NPS or pending a decision by NPS to terminate the grant.

a. Notification. When a grantee has materially failed to comply with the terms and conditions of a grant, NPS may suspend any or all HPF grants after giving the grantee reasonable notice (usually 30 calendar days) and opportunity to show cause why the grant should not be suspended. The notice of the suspension will detail the reasons for the suspension, any corrective action required of the grantee, and the effective date of the suspension. The suspension may be made effective without previous notice in an emergency situation such as when a delayed effective date would unreasonably impair NPS' responsibility to protect the Federal Government's interest.

b. Commitments. No commitments of funds incurred by the grantee during the period of suspension will be allowed under the suspended grant, unless NPS expressly authorizes them in the notice of suspension or an amendment to it. Necessary and otherwise allowable costs which the grantee could not reasonably avoid during the suspension period will be allowed if they result from charges properly incurred by the grantee before the effective date of the suspension, and not in anticipation of suspension or termination. At the discretion of NPS, third party contributions applicable to the suspension period may be allowed in satisfaction of matching share requirements.

c. Adjustments to payments. Appropriate adjustments to the payments submitted after the effective date of suspension under the suspended grant will be made either by withholding the payments or by not allowing the grantee credit for disbursements made in payment of unauthorized costs incurred during the suspension period.

d. Suspension period. Suspensions will remain in effect until the grantee has taken corrective action to the satisfaction of NPS, or given written evidence satisfactory to NPS that corrective action will be taken, or until NPS terminates the grant.

4. Termination. Termination is the cancellation of HPF grant assistance, in whole or in part, under a grant or project at any time prior to the date of completion.

a. Termination for cause. NPS may terminate any grant, in whole or in part, at any time before the date of completion, whenever it is determined that the grantee has failed to comply with the terms and conditions of the grant. NPS will promptly notify the grantee in writing of the termination and the reasons for the termination, together with the effective date. Payments made to grantees or recoveries by NPS under grants terminated for cause will be in accordance with the legal rights and liabilities of the parties.

b. Termination for convenience. NPS or the grantee may terminate grants or subgrant projects in whole or in part when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties will agree upon the termination conditions, including the effective date, and in the case of partial terminations, the portion to be terminated. For partial terminations, such termination will not affect the preservation agreement or covenant executed as a prior condition of grant assistance. An amendment to the grant agreement or the Informational SF 424 (as applicable) is required for all terminations for convenience.

c. Termination by grantee. The grantee may unilaterally cancel the NPS grant or any of its subgrants at any time prior to the first payment on the grant or subgrant, although NPS must be notified in writing. Once initiated, no grant or subgrant financed with HPF assistance shall be terminated by a grantee prior to satisfactory completion without the approval of NPS. After the initial payment. the project may be terminated, modified, or amended by the grantee only by mutual agreement of the grantee and NPS. Requests for termination prior to completion must fully explain the reasons for the action and detail the proposed disposition of the uncompleted work.

d. Commitments. When a grant is terminated, the grantee will not incur new obligations for the terminated portion after the effective date of termination. The grantee will cancel as many outstanding obligations as possible. NPS will allow full credit to the grantee for the Federal share of the noncancellable obligations properly incurred by the grantee prior to termination. Costs incurred after the effective date of the termination will be disallowed.

5. Applicability to subgrants. Grantees shall adhere to the same standards regarding closeout, suspension, and termination of their subgrants as prescribed in this Chapter for NPS.

## Chapter 27. Grantee Accounting and Audit Responsibilities

A. Purpose. This Chapter outlines audit requirements prescribed by OMB Circular A-128, Audits of State and Local Governments. Circular A-128 is issued pursuant to the Single Audit Act of 1984, P.L. 98-502, and establishes audit requirements for State and local governments that receive Federal aid, and defines Federal responsibilities for implementing and monitoring those requirements. Circular A-128 applies to fiscal years of State and local governments that begin after December 31, 1984, and supersedes Attachment P of OMB Circular A-102.

B. Applicability. Circular A-128 is applicable to State and local governments, territories, and Indian tribal governments as defined below. Public hospitals and public colleges and universities may be excluded from State and local audits and the requirements of Circular A-128. However, if such entities are excluded, audits of these entities shall be made in accordance with statutory requirements and the provisions of Circular A-110, "Uniform requirements for grants to universities, hospitals, and other nonprofit organizations."

Grants awarded to the National Trust for Historic Preservation shall be audited under the provisions of OMB Circular A-110, and the appropriate cost principles of OMB Circular A-122. Cost principles are discussed in Chapter 12 of this Manual.

Grantees are responsible for rendering a full accounting of each grant award in accordance with the applicable HPF grant agreement and the appropriate cost principles for the manner in which HPF grant funds are applied and for prompt resolution of audit findings.

C. Definitions. For the purposes of Circular A-128 the following definitions from the Single Audit Act apply:

1. "Cognizant agency" means the Federal agency that is assigned audit responsibility for a particular recipient organization by the Office of Management and Budget. That Federal agency is normally the agency providing the majority of funds to a particular recipient organization. Where the Department of the Interior is the cognizant agency, it is anticipated that the Office of Inspector General will be the responsible organizational unit.

2. "Federal financial assistance" means assistance provided by a Federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations, but does not include direct Federal cash assistance to individuals. It includes awards received directly from Federal agencies, or indirectly through other units of State and local governments.

3. "Federal agency" has the same meaning as the term 'agency' in section 551(1) of Title 5, United States Code.

4. "Generally accepted accounting principles" has the meaning specified in the generally accepted government auditing standards.

5. "Generally accepted government auditing standards" means the Standards for Audit of Government Organizations, Programs, Activities, and Functions, developed by the Comptroller General, dated February 27, 1981.

6. "Independent auditor" means:

   (1) a State or local government auditor who meets the independence standards specified in generally accepted government auditing standards; or

   (2) a public accountant who meets such independence standards.

7. "Internal controls" means the plan of organization and methods and procedures adopted by management to ensure that:

   (1) resource use is consistent with laws, regulations, and policies;

   (2) resources are safeguarded against waste, loss, and misuse; and

   (3) reliable data are obtained, maintained, and fairly disclosed in reports.

8. "Indian tribe" means any Indian tribe, band, nations, or other organized group or community, including any Alaskan Native village or regional or village corporations (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

9. "Local government" means any unit of local government within a State, including a county, a borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, and any other instrumentality of local government.

10. "Major Federal Assistance Program," as defined by P.L. 98-502, is described in Exhibit-A to this Chapter.

11. "Public accountants" means those individuals who meet the qualification standards included in generally accepted government auditing standards for personnel performing government audits.

12. "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands, any instrumentality thereof, and any multi-State, regional, or interstate entity that has governmental functions and any Indian tribe.

13. "Subrecipient" means any person or government department, agency, or establishment that receives Federal financial assistance to carry out a program through a State or local government, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a direct recipient of Federal financial assistance.

D. Policy. The Single Audit Act requires that State and local governments that receive $100,000 or more in Federal financial assistance shall have an organizationwide independent audit of their financial statements. This audit shall also include an evaluation of compliance with grant terms and conditions.

The independent auditor shall determine whether:

1. the financial statements of the government, department, agency or establishment (the recipient) presents fairly its financial position and results of its operations in accordance with generally accepted accounting principles;

2. the recipient has internal accounting and other control systems to provide reasonable assurance that it is managing its Federal financial assistance programs in compliance with applicable laws and regulations; and

3. the recipient has complied with laws and regulations that may have a material effect on its financial statements and on each major Federal assistance program.

E. Audit Costs. The cost of audits made in accordance with the provisions of Circular A-128 are allowable charges; however, a State or local government which is required to conduct an audit pursuant to the Single Audit Act is prohibited from charging (a) the cost of any financial or financial and compliance audit which is not conducted in accordance with that Act, and (b) more than a reasonably proportionate share of the cost of any such audit that is conducted in accordance with the Act, unless appropriate documentation demonstrates higher actual cost.

F. Scope of Audit. The audit examination is intended to ascertain the fairness of the presentation of the financial statements, effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the grant agreements. Audits will be made in accordance with generally accepted audit standards, including the standards published by the U.S. General Accounting Office, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions", as they apply to financial and compliance audits. Audits must meet the independence criteria of Chapter 3, Part 3 of that publication.

The audit shall cover the entire operations of a State or local government or, at the option of that government, it may cover departments, agencies or establishments that received, expended, or otherwise administered Federal financial assistance during the year. A series of audits of individual departments, agencies, and establishments for the same fiscal year may be considered a single audit.

G. Frequency of Audit. Audits shall be made annually unless the State or local government has, by January 1, 1987, a constitutional or statutory requirement for less frequent audits. For those governments, the cognizant agency shall permit biennial audits, covering both years, if the government so requests. It shall also honor requests for biennial audits by governments that have an administrative policy calling for audits less frequent than annual, but only for fiscal years beginning before January 1, 1987. However, if a State or local government receives $25,000 or more in General Revenue Sharing Funds in a fiscal year, it shall have an audit of its entire operations on an annual basis.

H. Sanctions. The Single Audit Act provides that no cost may be charged to Federal assistance programs for audits required by the Act that are not made in accordance with Circular A-128. Noncompliance with any of the administrative requirements of this Chapter may result in withholding of payments or other sanctions as appropriate. Where continued inability or unwillingness to have a proper audit exists, the Department of the

Interior will consider other appropriate sanctions, including (a) withholding a percentage of assistance payments until the audit is completed satisfactorily, (b) withholding or disallowing overhead costs, and (c) suspending the Federal assistance agreement until the audit is made.

I. Grantee Accounting and Audit Responsibilities for Subgrantees (Subrecipients). Audit reports from subgrantees covered by Circular A-128 or prepared as part of a subgrant agreement shall be received by the grantee. Grantees are responsible for reviewing audit and other reports submitted by and for subgrantees; identifying questioned costs and other findings; deciding whether to sustain the questioned costs, and accounting for sustained questioned costs as a receivable; and pursuing recovery or taking other appropriate follow-up action. These audit reports shall be maintained in the grantee's files and made available for review during the grantee's organizationwide audit.

It is the grantee's responsibility to assure that its subgrantees, including those awarded subgrants as Certified Local Governments, comply with all financial requirements, including determining that the expenditure of funds by subgrantees are in accordance with applicable laws, regulations, and grant terms and conditions.

The grantee who awards $25,000 per year to a subrecipient shall:

a. determine whether State or local subgrantees have met the audit requirements of Circular A-128 and whether subgrantees covered by Circular A-110 have met those requirements;

b. determine whether the subgrantee spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the subgrantee made in accordance with Circular A-128, Circular A-110, or through other means (e.g., program reviews) if the subgrantee has not yet had such an audit;

c. ensure that appropriate corrective action is taken within six months after receipt of the audit report in instances of noncompliance with Federal laws and regulations;

d. consider whether subgrantee audits necessitate adjustment of the grantee's own records; and

e. require each subgrantee to permit independent auditors to have access to the records and financial statements as necessary to comply with Circular A -128 or Circular A-110, as applicable.

The written subgrant agreement shall not relieve the grantee of any part of its responsibility to the Federal Government under a grant. The subgrant agreement or contract shall therefore provide sufficient rights and control to the grantee to enable it to fulfill this responsibility and accountability. Grantees are responsible for providing technical advice to subgrantees and their independent auditors, particularly if a Federal cognizant agency is not assigned to the subgrantee.

The grantee's independent auditor is responsible for reviewing the grantee's system for (1) monitoring and disbursing funds to subgrantees, and (2) obtaining and acting on subgrantee audit reports; testing to determine whether the system is functioning in accordance with prescribed procedures; commenting on the grantee's monitoring and disbursing procedures with respect to subgrantees (if warranted by the circumstances), and considering whether reported subgrantee questioned costs require adjustment of the grantee's financial statements, footnote disclosure, or a modification of the auditor's report on compliance.

It is emphasized that the grantee is responsible for compliance with governmentwide regulations, the National Historic Preservation Act, the terms and conditions of grant awards, and the procedures of this Manual. These conditions are applicable both to the grantee and to any third party to which grant-in-aid funds are transferred. Failure by the subgrantee to comply with these requirements shall be deemed a failure by the grantee to comply with the conditions of the grant assistance, and grant funds may be subject to recovery from the grantee.

J. Auditor Selection. In arranging for audit services grantees shall follow the procurement standards prescribed by Attachment O of Circular A-102. The standards provide that while grantees are encouraged to enter into intergovernmental agreements for audit and other services, analysis should be made to determine whether it would be more economical to purchase the services from private firms. In instances where use of such intergovernmental agreements are required by State statutes (e.g., audit services) these statutes will take precedence.

Grantees are responsible for ensuring that audit examinations are made by individuals who are sufficiently independent of those who authorize the expenditure of project funds, in order to provide unbiased opinions, conclusions, or judgments. The criteria for independence are explained in Chapter 3 of the General Accounting Office's "Standards for Audit of Governmental Organizations, Programs, Activities and Functions."

The accounting profession has established principles through a Code of Professional Ethics to guard against the presumption of loss of independence. To be recognized as independent, the auditor must be free from any obligation to, or material interest in, the client, its management, or owners. If there is any doubt as to independence or conflict of interest, NPS should report the facts in writing to the cognizant agency's Office of Inspector General.

Small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in the performance of contracts awarded with Federal funds. Grantees of Federal funds shall take the following affirmative action to further this goal:

1. Assure that small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals as defined in P.L. 95-507 are used to the fullest extent practicable.

2. Make information on forthcoming opportunities available, and arrange timeframes for the audit so as to encourage and facilitate participation by small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals.

3. Consider in the contract process whether firms competing for larger audits intend to subcontract with small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals.

4. Encourage contracting with small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals which have traditionally audited government programs and, in such cases where this is not possible, assure that these firms are given consideration for audit subcontracting opportunities.

5. Encourage contracting with consortiums of small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals, as described in paragraph a. above, when a contract is too large for an individual small audit firm.

6. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce in the solicitation and utilization of small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals.

K. Audit Documentation. Grantees will keep intact and accessible financial records, supporting documents, statistical records, and all other records pertaining to grants from NPS in accordance with the guidelines set forth in Chapter 28 of this Manual.

Grantees will furnish the auditor copies of the organization's financial statements, financial reports issued during the audit period; charters, by-laws, incorporation documents, minutes of meetings of the board of trustees/directors or review board, and bank account authorizations; audit reports issued within the past 2 years, including those prepared by internal or external auditors; an executed copy of the grant agreement for each grant included within the scope of the audit; the approved budget for each program; copies of program instructions, agency regulations, and applicable OMB Circulars; all major contracts, such as leases, employment agreements, and major purchase commitments entered into by the grantee; the applicable cost allocation plan and negotiated indirect costs proposals and agreements; copies of applicable NPS directives, including this Manual.

The grantee is responsible for assuring that the final audit report conforms to the requirements of the General Accounting Office's "Standards for Audit of Governmental Organizations, Programs, Activities and Functions." The cognizant agency's Office of Inspector General will review the audit report to determine if it complies with Circular A-128. If the audit does not comply with the Circular, the grantee will be required to obtain a re-audit. Grantees should consult with the cognizant agency's Office of Inspector General to coordinate audit efforts and resolve problems.

L. Eligibility of Accountants, Auditors, and State Organizations to Perform Audits. Standards for audit of governmental organizations, programs, activities and functions have been prescribed by the Comptroller General of the United States. These standards include the provision that audits (other than those made by governmental auditors) of grantee financial management systems must be made by certified public accountants or by public accountants licensed by regulatory authority of a State or other political subdivision of the United States on or before December 31, 1970.

M. Responsibilities of Accountants and Auditors. Audits shall be made in accordance with the General Accounting Office's "Standards for Audit of Governmental Organizations, Programs, Activities and Functions", as they apply to financial and compliance audits, any Compliance Supplements approved by OMB, and generally accepted auditing standards established by the American Institute of Certified Public Accountants.

N. Submission of Single Audit Reports.

1. In accordance with generally accepted government audit standards, reports shall be submitted by the independent auditor to the organization audited and to those requiring or arranging for the audit.

2. When the recipient receives the report from its independent auditor, it shall provide comments on the findings and recommendations in the report, including a plan for corrective actions.

3. The reports shall be made available by the State or local governments for public inspection within 30 days after the completion of the audit.

4. The recipient shall submit copies of the reports to the cognizant audit agency and to all Federal agencies that provided funding.

5. The reports shall be sent within 30 days after the completion of the audit, but no later than 1 year after the end of the audit period unless a longer period is agreed to by the cognizant Federal agency.

6. Subrecipients shall submit copies of their audit reports to the recipients that provided them Federal assistance funds.

7. Recipients shall keep their audit reports and reports from their subrecipients on file for 3 years from the date of issuance.

O. Response to Federal Audit Findings. Grantees must respond in writing to findings and recommendations in the audit report within 30 calendar days from the date the report is transmitted by NPS, unless an extension of time is granted by NPS. Such extensions are awarded at NPS discretion. The time period for response shall depend on the complexity of the issues involved. In the response, the grantee may take exception to particular findings and recommendations. The rationale for such exceptions should be clearly set out in the response. The response should point out and document errors of fact (if any), corrections already made, and state what action is proposed and the estimated completion date of such action. Although the grantee need not send all documentation supporting corrections unless requested to do so, documentation of actions taken must be available for review during later audits.

The grantee's response and any additional requested information will be considered in determining whether specific expenditures of grant funds or contributions to the nonfederal share should be allowed or disallowed.

If the grantee does not respond within 30 days, or does not request an extension of time for a reasonable period and for justifiable reasons, NPS will resolve audit findings on the basis of the issued audit report.

NPS (WASO, Grants Administration) will send the grantee a written notice of the determination to allow or disallow expenditures. Unless the grantee appeals a disallowance determination within 15 calendar days after the postmark date of the notice, the determination will become final. In those instances where no adverse findings have been identified, the grantee will be notified that the audit report submitted is acceptable and that no further action is required.

P. Satisfaction of Final Federal Audit Disallowances. Unless the grantee receives written notice granting an extension, all final disallowances will be satisfied within 30 calendar days of the date on which the disallowance becomes final. Failure by the grantee to satisfy a final disallowance or take corrective action to remedy deficiencies in its accounting and internal control systems may result in suspension, termination, or other remedial action. The Federal Government reserves the right to bring suit or take other appropriate legal action to recover the amounts in question. The audit cannot be closed until all final disallowances are satisfied.

Q. Recovery of Disallowed Costs. There are three acceptable methods of reimbursing disallowed audit costs:

1. By sending a check or warrant payable to the Department of the Interior, National Park Service; mailed to Grants Administration, National Park Service, Washington, D.C. 20013-7127;

2. By applying previously unclaimed eligible matching share costs (total Federal and nonfederal costs must be verified by the State auditor or other organization that performed the audit prior to submission and acceptance by NPS) incurred within the approved project period to the specific acquisition or development project in which costs have been disallowed, evidenced by the submission of:

   SF 424, Application for Federal Assistance, amending the nonfederal share and total project costs for the specific project in which the disallowed costs were incurred. Item 7 of the SF 424 should specify that the amendment is for repayment of audit costs, and must include the audit number; **and**,

   SF 270, Request for Advance or Reimbursement or SF 272, Federal Cash Transactions Report, if on Letter of Credit, evidencing that less than 50 percent of total project costs incurred as eligible matching share is being claimed for reimbursement. The "agency use" space of the form should refer to the project for which repayment is being made, the amount being repaid by the request, and the number of the audit report; **and**,

   Revised Attachment A's and Part III Budget Forms, documenting the additional costs claimed and identifying the work performed under the revised grant.

NOTE: If the project involved was previously approved with nonfederal matching share in excess of the minimum required, the amount of nonfederal costs must be increased beyond that level by the amount of the disallowed audit costs to effect recovery.

3. By applying eligible additional matching share costs (total Federal and nonfederal costs must be verified by the State auditor or other organization that performed the audit prior to submission and acceptance by NPS) incurred for allowable activities in the current nonconstruction grant(s), evidenced by:

   SF 424, Application for Federal Assistance, amending the nonfederal share and total project costs in the current non-construction grant(s). Note: After the matching share and total project costs are increased by NPS approval of the amendment, subsequent amendments to decrease the nonfederal share will not be approved; **and**,

   SF 270, Request for Advance or Reimbursement, or SF 272 Federal Cash Transactions Report, if on Letter of Credit, evidencing that less than 50 percent of total project costs incurred as eligible matching share is being claimed for reimbursement. The "agency use" space of the form should refer to the project for which repayment is being made, the amount being repaid by the request, and the number of the audit report; **and**,

   Revised Attachment A's and Part III Budget Forms, detailing the additional work items and donor, source, kind, and amount of nonfederal share.

All documents evidencing repayment of audit disallowed costs must be forwarded to NPS, Grants Administration, Preservation Assistance Division, WASO, in accordance with the NPS-approved repayment schedule. Information copies must be sent to the appropriate NPS Regional Office.

R. Collection Procedures. When costs questioned during audits are determined to be unallowable, and monies are due the Government, a Bill for Collection will be issued to the grantee by the NPS Finance Division. The Bill for Collection will establish a definite due date for repayment. Interest on audit-related debts shall begin to accrue no later than 30 days from the date of notification of the debt via the Bill for Collection, and shall continue to accrue when NPS audit resolution decisions are appealed. Interest charges will be made at a percentage rate prescribed quarterly by the Department of the Treasury for each 30-day period, or portion thereof, that payment is delayed. All interest charges levied must be paid in cash, and not through a net reduction of other Federal assistance to the grantee.

EXHIBIT 27-A

## Definition of Major Program as Provided in P.L. 98-502

"Major Federal Assistance Program," for State and local governments having Federal assistance expenditures between $100,000 and $100,000,000, means any program for which Federal expenditures during the applicable year exceed the larger of $300,000, or 3 percent of such total expenditures.

Where total expenditures of Federal assistance exceed $100,000,000, the following criteria apply:

| Total Expenditures of Federal Financial Assistance for All Programs | | Major Federal Assistance Program Means any Program That Exceeds |
|---|---|---|
| more than | but less than | |
| $100 million | 1 billion | $ 3 million |
| 1 billion | 2 billion | 4 million |
| 2 billion | 3 billion | 7 million |
| 3 billion | 4 billion | 10 million |
| 4 billion | 5 billion | 13 million |
| 5 billion | 6 billion | 16 million |
| 6 billion | 7 billion | 19 million |
| over 7 billion | | 20 million |

## RETENTION OF RECORDS

A. Purpose. This Chapter sets forth record retention and access requirements for HPF grants in accordance with OMB Circular A-102, Attachment C (for States) and Circular A-110, Attachment C (for the National Trust). Its provisions apply to all financial and programmatic records, supporting documents, statistical records, and other records which are (1) required to be maintained by the terms of an HPF grant, or (2) otherwise reasonably considered as pertinent to an HPF grant. This Chapter also details documentation requirements to support costs incurred, matching share contributed, and work performed with grant assistance. (See Sections H and I.)

B. Applicability to Contractors and Subcontractors. OMB Circulars A-102 and A-110, Attachments 0, Procurement Standards, require grantees (and subgrantees) to include in specified kinds of contracts a provision for access to the contractors' records by the grantee and the Federal Government (see Chapters 17 and 19).

C. Retention Period. Grantees must retain financial records, supporting documents, statistical records, and all other records pertinent to a grant for a period of 3 years or until an acceptable audit has been performed and all claims and audit findings involving the records have been resolved. The 3-year retention period starts from the date of the submission of the final expenditure report.

1. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigations, claims, or audit findings involving the records have been resolved.

2. Records for nonexpendable property acquired with Federal funds must be retained for 3 years after the final disposition of the property.

D. Microfilm Copies. Grantees may use microfilm for recordkeeping.

E. Access to Records.

1. Records of grantees. The Department of the Interior and the Comptroller General of the United States or any of their duly authorized representatives, shall have the right of access to any books, documents, papers, or other records of the grantee which are pertinent to the HPF grant in order to make audit, examination,

excerpts, and transcripts. Examination shall be made during the period of retention required by this Chapter or until all audit issues have been resolved.

2. Records of subgrantees. The Department of the Interior, the Comptroller General of the United States, and the grantee, or any of their authorized representatives shall have the right of access to any books, documents, papers, or other records of the subgrantee which are pertinent to the HPF grant in order to make audit, examination, excerpts, and transcripts.

F. Inspections. The grantee, its subgrantees, and contractors will permit on-site inspections by NPS representatives, and will effectively require their employees and review board members to furnish such documentation as, in the judgment of NPS representatives, may be relevant to a question of compliance with grant conditions and NPS directives on the effectiveness, legality, and achievements of the grant-assisted program.

G. Disclosure of Information. Unless otherwise required by law, and as specified in Chapter 3, NPS will not place restrictions on grantees that will limit public access to the grantees' records or to the records of their subgrantees or contractors that are pertinent to a grant, except when the records must remain confidential for any of the following reasons:

1. To prevent a clearly unwarranted invasion of personal privacy;

2. To comply with an Executive order or statute which requires the records to be kept secret;

3. To protect commercial or financial information obtained from a person or a firm on a privileged or confidential basis; or

4. To protect information that can be improperly exploited for personal gain.

H. Reports and Records. Grantees shall maintain documentation to support project expenditures by the grantee organization and its subgrantees in accordance with OMB Circular A-102, Attachment G (for States) and Circular A-110, Attachment F (for the National Trust).

The grantee and its subgrantees will submit financial, program progress, evaluation, and other reports as required by NPS, and will maintain such property, personnel, financial, other records, and accounts as are deemed necessary by NPS to assure proper accounting for all program funds.

I. Supporting Documentation.

1. Procurement. Grantees shall maintain documentation on file to support all procurements involving Federal funds, including:

a. A copy of contract solicitations;
b. A description of the methods of publicizing the solicitations, including dates and places of publication and posting;
c. Copies of the responses received;
d. Method and justification of contractor selection;
e. Bid tabulation;
f. Abstract of bids or proposals;
g. Justification of the use of negotiation (if used). (NOTE: Negotiation by virtue of public exigency or on a noncompetitive basis requires written justification setting forth the circumstances, and written authorization by NPS.)
h. Negotiation memorandum documenting that the prices are fair and reasonable;
i. Types of contracts awarded;
j. A copy of the signed and dated contract;
k. Evidence of the satisfactory completion of the contract.
l. A copy of the contract specifications.

2. Contract compliance. Grantees shall maintain documentation on file to assure contract compliance as follows:

a. All construction contracts must evidence:
    1) that work was accomplished in accordance with contract specifications;
    2) a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874);
    3) formal advertising, sealed bids, and public openings of bids; or that negotiation only occurred when no acceptable bids were received after formal advertising; or that other conditions existed which allowed negotiation in lieu of formal advertising in accordance with the provisions of Chapter 17;
    4) that the terms of all negotiated contracts met contract specifications.

b. All contracts over $10,000 (aggregate) must include evidence of:
    1) a provision for termination and basis for settlement;
    2) a description of conditions under which the contract may be terminated due to default;
    3) a description of conditions for termination of the contract because of circumstances beyond the control of the contractor;
    4) a provision requiring compliance with Executive Order 11246, "Equal Employment Opportunity." (See Chapter 19.)

c. All contracts over $100,000 must include evidence that:
    1) a bid guarantee (bid bond, certified check, or other negotiable instrument) for 5 percent of the bid price was obtained from the contractor;
    2) a performance bond for 100 percent of contract price was obtained from the contractor;

3) a payment bond for 100 percent of contract price was obtained from the contractor;
4) the contractor agrees to comply with the "Clean Air Act" and the "Federal Pollution Control Act."

3. Development Projects. SHPO project files shall contain the following documentation:

   a. A copy of the signed subgrant or contract agreement. Such agreements shall include:
      1) Clear description of work to be performed;
      2) Definite beginning and end dates;
      3) The Federal share awarded;
      4) Specification of final product(s) to be produced (with specific due dates and applicable standards);
      5) Nonfederal share required;
      6) Equal Opportunity compliance statement;
      7) Specified timeframes for billing;
      8) Amendment procedures;
      9) Reporting requirements (final project report);
      10) Reference to support documentation needed to support billings (timesheets, front and back of cancelled checks, etc.) for Federal and nonfederal share claimed;
      11) Stipulation that repayment be made to the SHPO organization if terms and conditions of the subgrant or contract agreement are not followed or costs claimed are disallowed following audit;
      12) Reference to the administrative requirements of OMB Circulars A-87 and A-102, particularly Attachments O and P of A-102. Note: Universities covered by OMB Circulars A-21 and A-110, and nonprofit organizations covered by OMB Circular A-122 may use the cost principles and administrative requirements of those Circulars in lieu of A-87 and A-102.

   b. Copies of all NPS approved change orders, amendments, and extensions.

   c. Copies of vendors' invoices evidencing that:
      1) invoices are in the name of the grantee (subgrantee);
      2) invoice dates are within the project period;
      3) purchase price is compatible with the estimated budget costs;
      4) purchase(s) are relevant to the scope of the project.

   d. Evidence that invoices were properly approved for payment, including:
      1) that discounts and other credits were deducted;
      2) that merchandise/service was received.

   e. Documentation to support billings (Federal and nonfederal shares).
      1) Copies of properly endorsed cancelled checks (both sides);
      2) Timesheets;

   3) Evidence of employee's rate of pay (including justification for rates paid).

f. Documentation for procurements.
   1) Copies of advertisements for bids.
   2) Copies of bid tabulations or copies of bids.

g. Evidence that grantee/subgrantee was given advance NPS approval to purchase equipment in excess of $300 per item.

h. Evidence that work was accomplished in accordance with the terms of the grant agreement (final project report).

i. Evidence that a project sign acknowledging DOI/NPS assistance was erected at the project site, or a copy of the written NPS waiver of this requirement. (See Chapters 5 and 6.)

j. A copy of the executed covenant or preservation agreement.

4. Acquisition projects. SHPO project files shall contain the following documentation:

   a. A copy of the signed subgrant or contract agreement. Such agreements shall include:
      1) Clear description of property to be acquired and related work to be performed;
      2) Definite beginning and end dates;
      3) The Federal share awarded;
      4) Nonfederal share required;
      5) Specified timeframes for billing;
      6) Amendment procedures;
      7) Reporting requirements (final project report);
      8) Stipulation that repayment be made to the SHPO organization if terms and conditions of the subgrant agreement are not followed or costs claimed are disallowed following audit;
      9) Reference to the administrative requirements of OMB Circulars A-87 and A-102. Note: Universities covered by OMB Circulars A-21 and A-110, and nonprofit organizations covered by OMB Circular A-122 may use the cost principles and administrative requirements of those Circulars in lieu of A-87 and A-102.

   b. A copy of the appraisal report prepared by a certified land appraiser(s);

   c. Evidence that the property owner was given the opportunity to accompany the appraiser;

   d. A statement of difference in value, if the negotiated purchase price is different from the appraised value;

   e. A copy of the statement of just compensation signed by the property seller (see Chapter 6);

f. A copy of the deed to the property;

g. A copy of cancelled checks (both sides), for acquisition and pre-acquisition costs;

h. Evidence that a legal title search was performed;

i. Evidence that relocation was/was not involved;

j. A copy of the executed covenant or preservation agreement.

k. Evidence that a project sign acknowledging DOI/NPS assistance was erected at the project site, or a copy of the written NPS waiver of this requirement. (See Chapter 5.)

5. Nonconstruction projects. SHPO project files shall contain the following documentation:

a. A copy of the signed subgrant or contract agreement (including all approved change orders). Such agreements shall include:
  1) Clear description of work to be performed;
  2) Definite beginning and end dates with specific due dates and applicable standards;
  3) Specification of final product(s) to be produced (with specific due dates and applicable standards);
  4) Budget, with Federal share awarded;
  5) Nonfederal share required;
  6) Equal Opportunity compliance statement;
  7) Specified timeframes for billing or expenditure reports;
  8) Amendment requirements and procedures;
  9) Reporting requirements (final project report);
  10) Reference to support documentation needed to support billings (timesheets, front and back of cancelled checks, etc.) for Federal and nonfederal share claimed;
  11) Stipulation that repayment be made to the SHPO organization if terms and conditions of the subgrant agreement are not followed or costs claimed are disallowed following audit;
  12) Reference to the administrative requirements of OMB Circulars A-87 and A-102, particularly Attachments O and P of A-102. Note: Universities covered by OMB Circulars A-21 and A-110, and nonprofit organizations covered by OMB Circular A-122 may use the cost principles and administrative requirements of those Circulars in lieu of A-87 and A-102.

b. Copies of vendors' invoices evidencing that:
  1) invoices are in the name of the grantee (subgrantee);
  2) invoice dates are within the project/contract period;
  3) purchase price is compatible with the estimated budget costs;
  4) purchase(s) are relevant to the scope of the project/contract.

c. Copies of properly endorsed cancelled checks (both sides);

d. Evidence of approved extensions and amendments;

e. Evidence that invoices were properly approved for payment including:
  1) evidence that discounts and other credits were deducted;
  2) evidence that merchandise/services were received.

f. Evidence that the grantee/subgrantee was given advance NPS approval to purchase equipment costing in excess of $300;

g. Copies of daily time records (including supervisor verification of time worked);

h. Evidence of employees' rates of pay (including justification for rates paid);

i. Evidence that work was accomplished in accordance with the terms of the grant agreement/subgrant agreement/contract (final project report);

j. Evidence that the method for selecting professional services was accomplished in accordance with Federal procurement requirements.

Grantees should also maintain any other documentation which might be useful to an auditor in verifying the propriety of the procedures used and compliance with Federal and State regulations.

# INTERNAL CONTROL STANDARDS

A. Purpose. This Chapter summarizes requirements and standards for implementing and maintaining a system of internal control in accordance with OMB Circular A-123, Internal Control Systems. While OMB Circular A-123 prescribes policies and standards to be followed by Federal agencies in establishing, maintaining, evaluating, improving, and reporting on internal controls in their programs and administrative activities, its provisions are also applicable to States and the National Trust for Historic Preservation in operations of programs using Federal funds. In many ways, satisfactory internal control is nothing more nor less than sound program management. This Chapter is intended to help users understand how to apply internal control techniques to a historic preservation program. This Chapter is in no manner a substitute for requirements of other Chapters of this Manual.

B. General.

1. The Federal Managers' Financial Integrity Act of 1982 establishes a Government-wide framework for monitoring and improving the effectiveness of management in Federal agencies. Section 2 of that act requires executive agencies to evaluate their systems of internal accounting and administrative control and to submit an annual statement to the President and the Congress on whether the systems fully comply with the internal control objectives set forth in that act and with the internal control standards prescribed by the Comptroller General. Section 2 also requires that the statement be based on an evaluation conducted in accordance with guidelines issued by the Office of Management and Budget. Section 4 of that act requires agency heads to include in their annual statement a separate report on whether the agency's accounting system conforms to the principles, standards, and related requirements prescribed by the Comptroller General.

   OMB's guidelines outline a phased approach for Federal agencies to evaluate, improve, and report on their internal controls. The phases are: (1) organizing the process, including the assignment of responsibilities for planning, directing, and controlling the process, (2) segmenting the agency to identify assessable units--organizational components, programs, and functions--to be assessed, (3) assessing the vulnerability of each assessable unit to fraud, waste, and abuse, (4) developing plans for performing internal control reviews, (5) performing internal control reviews, (6) determining material weaknesses, scheduling, and taking corrective actions, and (7) preparing the annual statement to the President and the Congress.

2. The following concept of internal controls is useful in understanding and applying the internal control standards set forth in this Chapter:

   > The plan of organization and methods and procedures adopted by management to ensure that resource use is consistent with laws,

regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

An internal control system is generally composed of written operating procedures and techniques that are relied upon to safeguard an organization's resources, ensure the accuracy and reliability of its information, ensure adherence to applicable laws, regulations, and policies, and promote operational economy and efficiency. Internal controls, while generally described in financial terms, are intended to cover program management as well as traditional financial management. Internal controls therefore, are "management controls" integrating program mission, administration, financial management and audit. Internal controls are not be be viewed as separate, specialized systems. Rather, they are to be recognized as an integral part of each system that management uses to regulate and guide its operations.

C. References.

1. The Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255). This act directs the heads of executive agencies to:

   a. Establish and maintain its internal accounting and administrative controls in accordance with the standards prescribed by the Comptroller General, to reasonably assure that: (1) obligations and costs comply with applicable law, (2) all funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation, and (3) revenues and expenditures applicable to agency operations are recorded and properly accounted for. These standards are incorporated in Section G of this Chapter.

   b. Evaluate and submit a statement annually on whether the agency's systems of internal control comply with the objectives of internal controls set forth in the act and with the standards prescribed by the Comptroller General. The act also provides for agency statements to identify the material weaknesses involved and describe the plans for corrective action.

   c. Prepare a separate report on whether the agency's accounting system conforms to the principles, standards, and related requirements prescribed by the Comptroller General.

2. OMB Circular A-123, Internal Control Systems (revised August 16, 1983). This Circular prescribes policies and standards to be followed by executive departments and agencies in establishing, maintaining, evaluating, improving, and reporting on internal controls in their program and administrative activities.

3. "Guideline for Conducting Internal Control Reviews," published by the Department of the Interior's Office of Financial Management (March 1983). This document summarizes the Office of Management and

Budget's "Internal Control Guidelines" (December 1982) required by P.L. 97-244. These guidelines are to be used in the development of specific plans for performing a self-evaluation of, improving, and reporting on each agency's internal control system.

4. "Monitoring and Reporting Program Performance," OMB Circular A-102, Attachment I for States, and OMB Circular A-110, Attachment H, for the National Trust for Historic Preservation.

D. Definitions. Additional definitions are included in OMB Circular A-123:

Fraud. The intentional, wrongful obtaining of money or obtaining some unfair or dishonest advantage or benefit from Government programs. Fraud includes theft, embezzlement, false statements, illegal commissions, kickbacks, conspiracies, obtaining contracts through collusive arrangements, and similar activities.

Waste. Incurring unnecessary costs as a result of inefficient or ineffective practices, systems, or controls.

Abuse. Violations of Departmental, National Park Service, or program regulations which impair the effective and efficient performance of mission responsibilities.

Event Cycle. A series of related steps that constitute a distinct and separate process or activity within a component. These event cycles are common to most programs: planning, budgeting, execution, reporting, administration.

Control Objective. A desired goal for a specific event cycle that reduces the potential for fraud, waste, and abuse, or ensures the efficiency, effectiveness, and economy of operations within the event cycle.

Control Technique. A series of carefully constructed checks and balances that provides reasonable assurance that control objectives for each event cycle are met.

Internal Control Review. A detailed examination of the system of internal controls to determine whether adequate control measures exist and are being utilized to detect, prevent, and deter fraud, waste, and abuse in a cost-effective manner.

E. Objectives of Internal Control. The objectives of internal control systems are to provide management with reasonable assurance that the following objectives are met:

1. Obligations and costs comply with applicable laws.

2. Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation.

3. Revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

F. Policy. Grantees shall demonstrate compliance with the basic internal control standards described in Section G, below. As specified in OMB Circular A-123, as a matter of policy, the National Park Service shall maintain effective systems of accounting and administrative control. All levels of management shall involve themselves in assuring the adequacy of controls. New programs shall be designed so as to incorporate effective systems of internal control. All systems shall be evaluated on an ongoing basis, and weaknesses, when detected, shall be promptly corrected. Reports shall be issued, as required, on internal control activities and the results of evaluations. (See Section H for HPF grantees' internal control responsibilities.)

G. Standards of Internal Control. The following internal control standards define the minimum level of quality acceptable for internal control systems in operation and the standards constitute the criteria against which systems are to be evaluated. There are five general standards, six specific standards, and an audit resolution standard. These internal control standards apply to all operations and administrative functions but are not intended to limit or interfere with duly granted authority related to rulemaking or other Federal discretionary policymaking. As stated in Section B, above, internal controls are not to be viewed as separate, specialized systems. Rather, they are to be recognized and implemented as an integral part of each system that management uses to regulate and guide its day-to-day program as well as financial operations.

1. General internal control standards. These general standards apply to all aspects of internal controls.

    a. Reasonable Assurance. Internal control systems are to provide reasonable assurance that the objectives of the system will be accomplished.

        1) The standard of reasonable assurance recognizes that the cost of internal control should not exceed the benefit derived. Reasonable assurance equates to a satisfactory level of confidence under given considerations of costs, benefits, and risks. The required determinations call for judgment to be exercised.

            i) identify (1) risks inherent in agency operations, (2) criteria for determining low, medium, and high risks, and (3) acceptable levels of risk under varying circumstances.

            ii) Assess risks both quantitatively and qualitatively.

2) Cost refers to the financial measure of resources consumed in accomplishing a specified purpose. Cost can also represent a lost opportunity, such as a delay in operations, a decline in service levels or productivity, or low employee morale. A benefit is measured by the degree to which the risk of failing to achieve a stated objective is reduced. Examples include increasing the probability of detecting fraud, waste, abuse, or error; preventing an improper activity; or enhancing regulatory compliance.

b. Supportive attitude. Managers and employees are to maintain and demonstrate a positive and supportive attitude toward internal controls at all times.

1) This standard requires agency managers and employees to be attentive to internal control matters and to take steps to promote the effectiveness of the controls. Attitude affects the quality of performance and, as a result, the quality of internal controls. A positive and supportive attitude is initiated and fostered by management and is ensured when internal controls are a consistently high management priority.

2) Attitude is not reflected in any one particular aspect of managers' actions but rather is fostered by managers' commitment to achieving strong controls through actions concerning agency organization, personnel practices, communication, protection and use of resources through systematic accountability, monitoring and systems of reporting, and general leadership. However, one important way for management to demonstrate its support for good internal controls is its emphasis on the value of internal auditing and its responsiveness to information developed through internal audits.

3) The organization of an agency provides its management with the overall framework for planning, directing, and controlling its operations. Good internal control requires clear lines of authority and responsibility; appropriate reporting relationships; and appropriate separation of authority.

4) In the final analysis, general leadership is critical to maintaining a positive and supportive attitude toward internal controls. Adequate supervision, training, and motivation of employees in the area of internal controls is important.

c. Competent personnel. Managers and employees are to have personal and professional integrity and maintain a level of competence that allows them to accomplish their assigned duties, as well as to understand the importance of developing and implementing good internal controls.

1) This standard requires managers and their staffs to maintain and demonstrate (1) personal and professional integrity, (2) a level of skill necessary to help ensure effective performance, and (3) an understanding of internal controls sufficient to effectively discharge their responsibilities.

2) Many elements influence the integrity of managers and their staffs. For example, personnel should periodically be reminded of their obligations under an operative code of conduct.

3) Hiring and staffing decisions should include pertinent verification of education and experience and, once on the job, the individual should be given the necessary formal and on-the-job training. Managers who possess a good understanding of internal controls are vital to effective control systems.

4) Counseling and performance appraisals are important. Overall performance appraisals should include an assessment of the implementation and maintenance of effective internal controls as appropriate to the position.

d. Control objectives. Internal control objectives are to be identified or developed for each agency activity and are to be logical, applicable, and reasonably complete.

1) This standard requires that objectives be tailored to an agency's operations. All operations of an agency can generally be grouped into one or more categories called cycles. Cycles comprise all specific activities (such as identifying, classifying, recording, and reporting information) required to process a particular transaction or event. Cycles should be compatible with an agency's organization and division of responsibilities.

Cycles can be categorized in various ways. For example:

-- Agency management.

-- Financial.

-- Program (operational).

-- Administrative.

2) Agency management cycles cover the overall policy and planning, organization, data processing, and audit functions. Financial cycles cover the traditional control areas concerned with the flow of funds (revenues and

expenditures), related assets, and financial information. Program (operational) cycles are those agency activities that relate to the mission(s) of the agency and which are peculiar to a specific agency. Administrative cycles are those agency activities providing support to the agency's primary mission, such as library services, mail processing and delivery, and printing. The four cycles obviously interact, and controls over this interaction must be established. For example, a typical grant cycle would be concerned with eligibility and, if awarded, administration of the grant. At the time of award, the grant (program) and disbursement (financial) cycles would interface to control and record the payment authorization.

3) Complying with this standard calls for identifying the cycles of agency operations and analyzing each in detail to develop the cycle control objectives. These are the internal control goals or targets to be achieved in each cycle. The objectives should be tailored to fit the specific operations in each agency and be consistent with the overall objectives of internal controls as set forth in the Federal Managers' Financial Integrity Act.

e. Control techniques. Internal control techniques are to be effective and efficient in accomplishing their internal control objectives.

1) Internal control techniques are the mechanisms by which control objectives are achieved. Techniques include, but are not limited to, specific policies, procedures, plans of organization (including separation of duties), and physical arrangements (such as locks and fire alarms). This standard requires that internal control techniques continually provide a high degree of assurance that the internal control objectives are being achieved. To do so they must be effective and efficient.

2) To be effective, techniques should fulfill their intended purpose in actual application. They should provide the coverage they are supposed to and operate when intended. As for efficiency, techniques should be designed to derive maximum benefit with minimum effort. Techniques tested for effectiveness and efficiency should be those in actual operation and should be evaluated over a period of time.

2. Specific standards. A number of techniques are essential to providing the greatest assurance that the internal control objectives will be achieved.

a. Documentation. Internal control systems and all transactions and other significant events are to be clearly documented, and the documentation is to be readily available for examination.

1) This standard requires written evidence of (1) an agency's internal control objectives and techniques and accountability systems and (2) all pertinent aspects of transactions and other significant events of an agency. Also, the documentation must be available as well as easily accessible for examination.

2) Documentation of internal control systems should include identification of the cycles and related objectives and techniques, and should appear in management directives, administrative policy, and accounting manuals. Documentation of transactions or other significant events should be complete and accurate and should facilitate tracing the transaction or event and related information from before it occurs, while it is in process, to after it is completed.

3) Complying with this standard requires that the documentation of internal control systems and transactions and other significant events be purposeful and useful to managers in controlling their operations, and to auditors or others involved in analyzing operations.

b. Recording of transactions and events. Transactions and other significant events are to be promptly recorded and properly classified.

Transactions must be promptly recorded if pertinent infomation is to maintain its relevance and value to management in controlling operations and making decisions. This standard applies to: 1) the entire process or life cycle of a transaction or event and includes the initiation and authorization, 2) all aspects of the transaction while in process, and 3) its final classification in summary records. Proper classification of transactions and events incorporates the organization and format of information on summary records from which reports and statements are prepared.

c. Execution of transactions and events. Transactions and other significant events are to be authorized and executed only by persons acting within the scope of their authority.

This standard pertains to management's decisions to exchange, transfer, use, or commit resources for specified purposes under specific conditions. It is the principal means of assuring that only valid transactions and other events are entered into. Authorization should be clearly communicated to managers and employees and should include the specific conditions and terms under which authorizations are to be made. Conforming to the terms of an authorization means that employees are carrying out their assigned duties in accordance with directives and within the limitations established by management.

d. Separation of duties. Key duties and responsibilities in authorizing, processing, recording, and reviewing transactions should be separated among individuals.

To reduce the risk of error, waste, or wrongful acts or to reduce the risk of their going undetected, no one individual should control all key aspects of a transaction or event. Rather, duties and responsibilities should be assigned systematically to a number of individuals to ensure that effective checks and balances exist. Key duties include authorizing, approving, and recording transactions; issuing and receiving assets; making payments; and reviewing or auditing transactions. Collusion, however, can reduce or destroy the effectiveness of this internal control standard.

e. Supervision. Qualified and continuous supervision is to be provided to ensure that internal control objectives are achieved.

1) This standard requires supervisors to continuously review and approve the assigned work of their staffs. It also requires that they provide their staffs with the necessary guidance and training to help ensure that errors, waste, and wrongful acts are minimized and that specific management directives are achieved.

2) Assignment, review, and approval of a staff's work requires:

--Clearly communicating the duties, responsibilities, and accountabilities assigned each staff member,

--Systematically reviewing each member's work to the extent necessary, and

--Approving work at critical points to ensure that work flows as intended.

3) Assignment, review, and approval of staff's work should result in the proper processing of transactions and events including: following approved procedures and requirements; detecting and eliminating errors, misunderstandings, and improper practices; and discouraging wrongful acts from occurring or from recurring.

f. Access to and accountability for resources. Access to resources and records is to be limited to authorized individuals, and accountability for the custody and use of resources is to be assigned and maintained. Periodic comparison shall be made of the resources with the recorded accountability to determine whether the two agree. The frequency of the comparison shall be a function of the vulnerability of the asset.

1) The basic concept behind restricting access to resources is to help reduce the risk of unauthorized use or loss to the Government, and to help achieve the directives of management. However, restricting access to resources depends upon the vulnerability of the resource and perceived risk of loss, both of which should be periodically assessed. For example, access to and accountability for highly vulnerable documents, such as check stocks, can be achieved by: (1) keeping them locked in a safe, (2) assigning or having each document assigned a sequential number, and (3) assigning custodial accountability to responsible individuals.

2) Other factors affecting access include the cost, portability, exchangeability, and the perceived risk of loss or improper use of the resource. In addition, assigning and maintaining accountability for resources involves directing and communicating responsibility to specific individuals within an agency for the custody and use of resources in achieving the specifically identified management directives.

3. Audit resolution standard: Prompt resolution of audit findings. Managers are to (1) promptly evaluate findings and recommendations reported by auditors, (2) determine proper actions in response to audit findings and recommendations, and (3) complete, within established time frames, all actions that correct or otherwise resolve the matters brought to management's attention.

a. The audit resolution standard requires managers to take prompt, responsive action on all findings and recommendations made by auditors. Responsive action is that which corrects identified deficiencies. Where audit findings identify opportunities for improvement rather than cite deficiencies, responsive action is that which produces improvements.

b. The audit resolution process begins when the results of an audit are reported to management, and is completed only after action has been taken that (1) corrects identified deficiencies, (2) produces improvements, or (3) demonstrates the audit findings and recommendations are either invalid or do not warrant management action.

c. Auditors are responsible for following up on audit findings and recommendations to ascertain that resolution has been achieved. Auditors' findings and recommendations should be monitored through the resolution and followup processes. Top management should be kept informed through periodic reports so it can assure the quality and timeliness of individual resolution decisions.

H. Grantee Responsibility. The acceptance of an HPF grant creates a legal duty on the part of the grantee to organize itself and conduct assisted activities according to the National Historic Preservation Act, and to assure that funds are expended in accordance with Federal law, regulations, and the terms and conditions of the grant. This includes compliance with program, financial, grant management and audit requirements and the establishment of systems for controlling the expenditure of funds to ensure that amounts claimed are proper, within the approved scope of work, and supportable with adequate documentation. Grantee transactions, from approval of proposed subgrants to final action by the grantee and NPS must be accounted for. Payment for work not performed according to these standards should not be made, or, if paid, must be recovered.

Grantees should identify an appropriate official, establish an internal control committee, or otherwise establish specific responsibility for seeing that an internal control system is developed (where one does not exist), maintained, reviewed, and improved as necessary.

Exhibit 29-A generally summarizes, from an NPS perspective, the basic administrative components of an internal control system for the grantee-operated portion of the HPF grant program. Identified in general terms are major event cycles and associated risks, control objectives to minimize these risks, and control techniques to meet these objectives. In developing its control systems to comply with all requirements detailed throughout this Manual, States should incorporate at least these event cycles and control objectives as applicable to each organization's missions and unique organizational structure. In appendix B of its "Internal Control Guidelines" (December 1982), OMB has provided a list of common agency cycles and cycle control objectives. Grantees should consider these when identifying their own cycles and cycle control objectives. In addition, Chapter 30 of this Manual details program and administrative components selectively tested under the State Program Approval Process that should be included, as appropriate, in each grantee's internal control system.

EXHIBIT 29-A

| EVENT CYCLES | CONTROL OBJECTIVES |
|---|---|
| 1. State Historic Preservation Office (SHPO) staffing and organization are in compliance with HPF program requirements. | 1. Assure that organization meets staffing (numbers and qualifications) required by 36 CFR 61. |
| | 2. Assure that SHPO office is organized to meet the purposes of the National Historic Preservation Act, Interior regulations, grant application instructions, general and special conditions of grant assistance, and the National Register Programs Manual. |
| | 3. Assure that SHPO operations are organized to meet the financial management requirements of OMB Circulars A-87 and A-102. |
| 2. Program activities are conducted according to the Secretary of the Interior's Standards for Archeology and Historic Preservation. | 1. Assure that the statewide comprehensive historic preservation plan is being systematically developed and implemented in accordance with the Secretary of the Interior's Standards for comprehensive historic preservation planning. |
| | 2. Assure that survey activity is being systematically conducted according to (a) 36 CFR 61, (b) priorities established by the State's comprehensive historic preservation plan, (c) the applicable portions of the Secretary of the Interior's Standards for Archeology and Historic Preservation, and (d) HPF grant requirements. |
| | 3. Assure that the SHPO has developed and implemented a system to ensure that all aspects of assisted program activities are consistent with the Secretary of the Interior's Standards for Archeology and Historic Preservation. |

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|---|---|
| 3. SHPO subgrant award processes are properly functioning. | 1. Assure that the organization has established and is enforcing written policies and requirements governing subgrant application and approval.<br>2. Assure that the best qualified applications receive HPF funding. |
| 4. SHPO monitors post-award subgrant performance. | 1. Assure that the SHPO has established and is enforcing subgrant documentation of performance requirements. |
| 5. SHPO monitors reports of program performance for subgrants and for SHPO-directed work. | 1. Reduce the potential for noncompliance with grant performance requirements by assuring that grant-assisted subgrants are executed according to:<br>a. HPF grant requirements;<br>b. planned scope of work;<br>c. program standards;<br>d. financial requirements;<br>e. established timeframes.<br>2. Reduce the potential for noncompliance with grant performance requirements by assuring that program and financial reports to NPS are reliable, accurate, and completed in keeping with prescribed instructions. |

| | |
|---|---|
| 6. Audit findings and recommendations are promptly and acceptably addressed. | 1. Assure SHPO organization has procedures to:<br>a. promptly evaluate findings and recommendations reported by auditors;<br>b. determine proper actions in response to audit findings and recommendations;<br>c. complete, within established time frames, all actions that correct or otherwise resolve audit findings. |

# STATE HISTORIC PRESERVATION PROGRAM APPROVAL

A. Purpose. This Chapter sets forth policy and procedures for periodic review and approval of State Program performance by the National Park Service based upon State compliance with the National Historic Preservation Act and the terms and conditions of Historic Preservation Fund grant awards.

B. Background. The State Program Approval Process is conducted for the following reasons:

1. National Historic Preservation Act, as amended. Section 101(b)(2) of the National Historic Preservation Act, as amended, directs the Secretary of the Interior to determine if State historic preservation programs are in conformance with the requirements of the Act. The implementing regulations for approval of State programs are found in 36 CFR 61. This authority is delegated to the Director, NPS.

2. Historic Preservation Fund Apportionment. Because State workload and performance factors are used in each year's apportionment formula (see Chapter 2 of this Manual), and because Congress has requested NPS to maintain an information collection system describing the status of the national historic preservation program, independent verification of State data is necessary.

3. Administrative Control Requirements. The State Program Approval Process selectively tests the policies, practices, and administrative controls used by the SHPO organization to: 1) verify that grant funds are expended only for eligible activities that are accomplished according to Federal laws, regulations, and the terms and conditions of HPF grants; 2) enforce management practices to prevent fraud, waste, abuse, and mismanagement in grant-assisted activities; and 3) generate accurate reports comparing planned performance with actual results.

4. Technical Assistance. The State Program Approval Process assists NPS in identifying technical assistance needs on a State, regional, and national basis.

C. Program Requirements to be Evaluated.

1. Requirements of the Act. Each State's performance will be evaluated according to the following categories drawn from the requirements of the Act:

    a. Legal authority and designation of the State Historic Preservation Officer (See Chapter 3).

b. State Staff Qualifications and Composition (See Chapter 3 and 36 CFR 61).

c. State Review Board Qualifications and Composition (See Chapter 3 and 36 CFR 61).

d. Historic Preservation Fund Grant Management - each State must administer the State program of Federal assistance for historic preservation. (See particularly Chapters 3, 5, 25, and 29).

e. Comprehensive Historic Preservation Planning - each State must prepare and implement a comprehensive historic preservation plan. (See Chapters 6, 7 and Secretary's Standards).

f. Survey and Inventory - each State must direct and conduct a comprehensive statewide survey and maintain inventories of such properties. (See Chapters 6, 7 and Secretary's Standards).

g. National Register - each State must identify and nominate eligible properties to the National Register and otherwise administer applications for listing properties on the National Register. (See Chapters 6, 7; Secretary's Standards; 36 CFR 60).

h. Public Participation - each State must provide for adequate public participation in the program including the process of recommending properties for nomination to the National Register. (See Chapter 6).

i. Technical Assistance to Governmental Agencies - each State must advise and assist Federal and State agencies and local governments in carrying out their historic preservation responsibilities. (See Chapters 6, 7).

j. Review and Compliance - each State must cooperate with the Secretary, the Advisory Council on Historic Preservation, other Federal agencies, local governments, organizations and individuals to ensure that historic properties are taken into consideration at all levels of planning and development. (See Chapters 6, 7 and 36 CFR 60).

k. Public Education - each State must provide public information, education, training and technical assistance relating to Federal and State historic preservation programs.

l. Certification Assistance to Local Governments - each State must cooperate with local governments in the development of local historic preservation programs and assist local governments in becoming certified. (See Chapters 6, 7 and 36 CFR 61).

m. Fiscal Audits - (See Chapter 27).

2. Scope of Evaluation. State performance for each of the requirements in C.1 shall be evaluated in terms of the following elements:

   a. Regulatory Requirements. Each State's performance shall be evaluated for compliance with 36 CFR 60, 36 CFR 61 and 36 CFR 67 (Preservation Tax Incentives).

   b. Government-wide Requirements. Each State's performance shall be evaluated on selected topics for compliance with applicable OMB Circulars, Treasury requirements, and Department of the Interior requirements governing grant assistance.

   c. Secretary of the Interior's Standards for Archeology and Historic Preservation. Each State's performance shall be evaluated with regard to integrating the Standards into its activities.

   d. Manual Requirements. Each State's performance shall be evaluated for compliance with grant terms and conditions and selected topics specified in the National Register Programs Manual.

   e. Grant Agreement Special Conditions. Each State's performance shall be evaluated for compliance with Historic Preservation Fund grant special conditions.

   f. Limits to Program Review. The selective testing of State performance, particularly of administrative controls, is conducted by NPS under the assumption that the SHPO organization is complying with all legal, regulatory and Governmentwide requirements imposed as a condition of accepting an NPS grant. When noncompliance with legal or Governmentwide grant administrative requirements is evidenced, the State is responsible for correcting the noncompliance in accordance with Section E.6.

      State performance will not be evaluated for purposes of Program Approval on any requirements, or class of requirements, not stipulated in this Manual or which were not in effect for a reasonable period of time prior to the evaluation. National Historic Preservation Act requirements from which a written waiver has been issued by NPS will also not be subject to evaluation.

3. National Park Service Approach To Evaluation.

   a. Program Review Document. The Program Review Document (Exhibit 30-D) will be used as the guide for verifying the level of performance necessary for State Program Approval. The organization and use of the Program Review Document is explained below.

Chapter 31 covers WASO and Regional Office responsibilities pertaining to the State Program Approval process. Section G contains information on subjects such as:

1) WASO's role in reviewing the National Register Requirement,

2) the methodology for verifying Outlay, Effort, and Products data supplied in the End-of-Year Reports, and data supplied in the End-of-Year Reports, and

3) the preparation and processing of NPS State Evaluation Reports.

b. Program Requirements and Minimum Approval Criteria. The Program Review Document is divided into Program Requirements. The Program Requirements align as closely as possible to the Program Areas defined for the HPF grant application Attachment A (see Chapter 7) while still retaining a separate Program Requirement for each requirement listed in Section 101(b) of the National Historic Preservation Act, as amended. Some Program Areas have clearly defined qualitative performance levels, while others do not. Regional Office staff may make observations and recommendations to States on performance of any Program Area. To achieve or retain approved program status States must adequately meet all minimum approval criteria (asterisked) for all Program Requirements. Minimum approval criteria are the basic standards by which each State will be evaluated as to whether the Program Requirement has been satisfied, subject to the additional requirements of Section 2.f above. Compliance with requirements of the Act, the Secretary's Standards, grant terms and conditions compose the minimum approval criteria. To achieve or retain approved program status, States must adequately meet all the minimum approval criteria.

c. Requirements for HPF Grant Management. This part of the Program Review combines the requirements of OMB Circulars A-87, A-102, and A-123. Emphasis is placed on selective testing of OMB Circulars A-87 and A-102 requirements and on the A-123 administrative control principles. Administrative controls are policies, procedures, and practices designed to provide a management structure to carry out the mission of an organization. The principal administrative controls applicable to grant programs are documentation, separation of duties, execution of transactions, and supervision. Under Circular A-123, an organization's overall control system is viewed as the organization's structure and operational checks and balances designed to prevent and detect fraud, waste, abuse, and mismanagement of its grant-assisted resources. Resources include program/administrative funds; staff; information; inventory; and space. These administrative controls are evidenced by the SHPO's policies, organization, personnel, records, methods and procedures used to control HPF-assisted operations for economy, efficiency, and compliance with grant terms and conditions, including these Circulars. It is not sufficient that policies or procedures exist; there must be evidence that they are being satisfactorily followed and are working as intended.

Prior to the visit, team members responsible for assessing HPF Grant Management should be familiar with the Department of the Interior's "Guideline for Conducting Internal Control Reviews," issued March 1983. An important concept of OMB Circular A-123 is that key procedures should be in written form. While an NPS Program Review standard may be met by currently employed knowledgeable staff, an appropriate recommendation will be required that control procedures be put in writing so as to prevent disruption in program continuity and to prevent future accountability weaknesses. The NPS review of SHPO implementation of administrative controls is to prevent, rather than detect, fraud, waste, abuse, and mismanagement.

For purposes of the Program Review, the procedures to be assessed related to financial management are minimal and do not take the place of the independent financial audit. The financial audit tests the adequacy of the fiscal management system and emphasizes compliance with accounting controls, whether financial reports are presented fairly, and whether the recipient has complied with laws and regulations that can materially affect financial operations, conditions and reports. Compliance with topics such as equal opportunity and handicapped access are separately monitored by the Department of the Interior's Office for Equal Opportunity.

All standards under HPF Grant Management will be addressed in the written NPS report to the SHPO, whether or not a recommendations made to correct a weakness. The appropriate extent of testing for the non-asterisked items in the Program Review Document is that which evidences the conditions as a whole. In determining the extent of the tests to be made, emphasis will be directed to any weaknesses in the existing administrative controls that may be indicated by the SHPO's management of subgrants. These are evidenced by deficiencies in the most recent financial audit, Informational SF 424s, and other submissions to NPS. When the reviewer finds that onsite tests do not support the preliminary assessment made by NPS staff prior to the Program Review visit, a more detailed analysis of the topic area will be performed.

d. Evaluation of Program Requirements and Minimum Approval Criteria.

1) Verification Inquiries.

a) For each Program Requirement, there is a series of questions that assist verification that State program performance meets the Program Requirement.

b) A "Yes" or "No" must be answered for each question.

c) The purpose of reviewing these Program Requirements is to examine the processes and qualitative characteristics of a State's capability for preparing products. Therefore, in most Program Requirements there is a verification inquiry aimed at determining that there is a minimal level of State activity. This examination does not override evaluation of the quantitative levels of performance proposed in the State's grant application. Both types of evaluations are made by examining the State's End-of-Year Report.

2) Review Guides. Some of the verification inquiries have companion review guides. Review guides are designed to assist the NPS review team in determining the answer to individual verification inquiries.

3) In order to adequately meet each Program Requirement, the answer to every asterisked verification inquiry must be "YES"; each of the non-asterisked questions will be evaluated as a whole. State performance for each of these items will be considered acceptable if they are substantially met.

e. Evaluation Techniques. The program evaluation will employ interviews of State staff, sampling of files, examination of publications and other program products, and discussion of office systems and internal procedures. During the on-site interviews, NPS will select which and how many State documents and files to review as verification.

f. Verification Inquiry Types. To achieve uniformity of review and comprehensive coverage of the approval criteria among all grantees, the following basic questions are used to verify grantee performance for each program requirement and activity specified in the National Historic Preservation Act:

1) Is there an adequate system or process in place for the requirement?

2) Is the system or process being used such that a minimal level of program activity for each requirement or activity can be demonstrated?

3) Have all grant award terms and conditions been met?

4) Are the data contained in the State's End-of-Year reports accurate?

   a) Records must be accurate within 5% for all data used for apportionment purposes. A determination that such data are inadequate may also affect subsequent apportionments.

   b) The level of accuracy required for other data will vary depending upon its nature and uses.

## D. Schedule and Steps of the Evaluation Process.

### 1. Frequency of Review.

a. The program evaluation process shall be conducted every second fiscal year by means of on-site reviews.

b. Once approved status is renewed, States will not be reviewed under this method until the next biennial evaluation period, although additional on-site follow up and subsequent performance evaluations may be conducted more often for individual States if NPS deems this necessary, especially if compliance issues arise with respect to the requirements of Section C above, in the interval between biennial reviews.

### 2. Notice of Forthcoming Review.

States will be notified by letter of the program evaluation visit at least 75 days prior to the planned visit; States are expected to have all necesssary staff available at the time of the staff visit.

### 3. Public Comment.

No later than 45 days prior to the on-site visit, States shall make a reasonable effort to notify a cross-section of active members in each segment of their Statewide preservation constituency. In most States the significant segments of the preservation constituency for the State Historic Preservation Office are: private individuals, representatives of preservation organizations, local planning officials, sub-grantees, CLGs, Federal agencies and developers involved in historic rehabilitations.

This notification (see Exhibit 30-C for content requirements) may be satisfied by any appropriate means such as a State preservation newsletter or similar State government publication with extensive distribution to the preservation community. Solicitation of public comment by a notice in a State register (similar to the Federal Register) is insufficient as a sole means of notification.

The distribution of a State's notice inviting public comment is adequate if it is sent to all seven segments (listed in "D.3" above) of the SHPOs constituency. Alternatively, the distribution may be deemed adequate if the SHPO (or authorized designee) provides (with the copy of the notice or later upon request) a written certification that a segment above is not a significant part of the preservation community. For example, a State with a very small Preservation Tax Incentives Program need not send the notification to developers involved in historic rehabilitations.

The State shall send the NPS/Region a copy of the notification including the date and description of the distribution of the notification. During the public commenting period the State shall make the Program Review Document and other State documents, including reports and other publications describing the historic preservation program, available in the program office for examination. All written public comments must be received by NPS/Region no later than 10 working days prior to the on-site visit. NPS will not conduct the initial on-site review until the concerned public has been notified. All comments that have been received 10 working days prior to the on-site visit will be considered in the preparation for the on-site evaluation.

Public comments will be used by NPS to identify categories of issues which may be emphasized during on-site evaluations. NPS generally will not expect States to respond to individual letters.

The NPS State Evaluation Report (see Exhibit 31-E for format) will include a summary of pertinent public comments that were received by the NPS/Region, and any NPS recommendations related to those comments.

### 4. Preparation for On-Site Visits.

a. States should take the following steps in preparing for the on-site review:

   1) Review the program requirements, mimimum approval criteria, and verification questions (see the Program Review Document, Exhibit 30-D);

   2) Review the explanation of the NPS approach to evaluation (see Section D. above);

   3) Examine the summary of Required Documentation (see Exhibit 30-B). Ensure the availability of the documents or files needed for review by NPS; and

   4) Solicit public comment and notify NPS/Region of the date, and description of distribution of the notification (see Exhibit 30-C).

b. To make the on-site visit more efficient, States may on occasion be requested to submit some documents and material prior to the visit. This will include only material that States are normally required to have available.

5. Initial Review (On-Site).

   a. There will be at least 2 NPS staff participating in each on-site review.

   b. The NPS team will use the Program Review Document (see section D.1)

   c. NPS will accomplish each State review minimally in 2 days on-site although team leaders may elect to extend the on-site visit.

   d. Prior to concluding the on-site visits, the NPS review team will conduct an exit interview to brief the SHPO on program deficiencies, major findings and recommendations to the extent possible, including identifying areas of deficiency.

6. Notification of Results.

   a. States acceptably meeting all requirements in the review will receive timely official notice, generally within 30 days of the on-site evaluation, that their approved status is renewed. A program evaluation report will accompany the approval letter containing the team's findings and recommendations and a summary of public comments received by NPS. Official notification of the approval will be made by the Director, National Park Service.

b. States not meeting all requirements will receive prompt notice (via certified mail) with the program evaluation report citing the deficiencies and recommendations for correcting them. A summary of public comments will also be included in the report.

1) Depending upon the deficiency, NPS may restrict State activities. For example, a State without a qualified archeologist on its Review Board may be precluded from nominating archeological properties to the National Register until the deficiency is corrected in accordance with 36 CFR 61.

2) Limitations on State grant awards may be imposed for certain types of deficiencies.

7. Correcting Deficiencies.

a. If, as a result of the initial review, NPS determines that there are deficiencies in a State's program performance, the State has up to 4 months following the date of the written notice to correct the problem(s). During this time, technical assistance in correcting the problem(s) will be offered by NPS, if appropriate.

b. During this 4-month period, States may appeal to NPS the findings and recommendations of the on-site review. An appeal will not affect the duration or initiation of the 4-month period for satisfactorily addressing cited deficiencies.

8. Final Review and Results.

a. All material submitted by the State to correct the cited deficiencies will be reviewed as long as it is received by NPS no later than 4 months after the date of the letter notifying the State of program performance deficiencies.

b. Within the 4 month period, States must either correct the cited deficiencies or receive NPS written approval of a written request for a waiver under 36 CFR 61.8. Waiver requests must provide an acceptable justification for requesting additional time with a plan and timetable for correcting remaining deficiencies. The Associate Director, Cultural Programs shall approve all waiver requests.

c. States fully resolving deficiencies will receive prompt notice from NPS that their approved status is renewed. Official notification of the approval will be made by the Director, National Park Service. The notification letter will specify that all previous limitations or restrictions related to State Program Approval have been lifted.

d. States will be "disapproved" only when, after the expiration of the specified period, they are officially notified that their approved status is removed for failure to correct cited deficiencies. Official notification (via certified mail) of the disapproval will be made by the Director, National Park Service.

e. Disapproved status will take effect on a date specified by NPS in the notice to the State. The letter will contain a full explanation of consequences of being in the "disapproved status."

9. Consequences of Disapproval. Disapproval will result in some or all of the following consequences, at the discretion of NPS:

   a. States would not be able to participate in any activity specified for States under the Act.

   b. Grant financial suspension and termination actions will be initiated in accordance with Chapter 26. The effects of such an action would include:

      1) No costs would be reimbursable during the period of suspension other than those related to grant-assisted program closeout. Payments may be made only for those "reasonable and unavoidable costs" such as:

         a) Severance pay.

         b) Accrued vacation pay and related personnel costs.

         c) Accounting for and billing of costs incurred prior to suspension date.

         d) To the extent required by law, payments related to completing existing subgrants.

      2) Any exceptions would be justified in writing and approved by NPS in writing.

   c. The State would not be eligible to receive any new HPF grants-in-aid until it regained its approved status.

   d. NPS will not reimburse, recognize, or accept any State program activity as defined in the Act and 36 CFR 61.4 as being associated with a State historic preservation program.

e. The State's designation of an SHPO would no longer be recognized and the State would no longer participate in any NPS program requiring consultation, coordination, or administration by an SHPO.

Exhibit 30-B

## SUMMARY OF REQUIRED DOCUMENTATION

Items listed with an "*" will be checked by NPS or be compared to documents on file with NPS. All other documents and records should be readily available to NPS personnel during the on-site visit.

1. ORGANIZATIONAL
   - o Legal authority and designation of SHPO

     - o State organization chart tracing authority from Governor to SHPO
     - o SHPO authority to conduct HPF program in organizational hierarchy
     - o designation letter from Governor

   - o SHPO Organization

     - o SHPO organization chart
     - o SHPO operating budget
     - o Operating procedural manuals and other relevant procedural guides
     - o Position descriptions for key SHPO staff:

       - + historian
       - + archeologist
       - + architectural historian
       - + historical architect (if appropriate)
       - + grants manager position

   - *o Vitae for required SHPO Staff

   - o Review Board:

     - o By-laws and Procedures
     - o Minutes of past meetings
     - *o Vitae for required positions

   - o Code of Conduct for SHPO, staff, Review Board showing conflict of interest provisions

2. HPF GRANT MANAGEMENT

   - o Grant Applications
     - *o Prior year's Attachment A and End-of-Year Report
     - *o Current application package(s) and Grant Agreement
     - *o Continuation Grant
     - *o Last Monthly Financial Status Report
     - *o Apportionment Certificates

  - Announcement procedures, with samples of application requirements
  - Selection and award procedures, particularly use of selection criteria
  - Sample award contracts
  - Operating instructions provided to subgrantees (particularly reporting requirements, timeframes, and required supporting information for substantiation of billings)
  - Checklist for documents on file
  - Monitoring procedures and enforcement techniques (program standards and financial requirements)
  - Payment requirements and support documentation for subgrantees

- Reports

  - Final Project Report
  - Internal SHPO progress reports - samples
  - SHPO procedures for monitoring progress toward objectives specified in the approved Grant Application (Attachment A)
  - Internal procedures and sample reports that are used to compile End-of-Year and other reports

- Audit

  - *Last financial Audit
  - *Last NPS Audit Resolution
  - Evidence that procedures were adopted to correct compliance issues identified in the preceding audit are being maintained

3. COMPREHENSIVE HISTORIC PRESERVATION PLANNING

  - Documentation that clearly describes the SHPOs activities in implementing a comprehensive historic preservation plan conforming to the Secretary of the Interior's Standards for Preservation Planning

  - Documents describing the planning process, historic contexts, and historic context priorities

  - Back-up documentation for reporting outlay, effort, and products in the End-of-Year Report

4. SURVEY AND INVENTORY

  - Documentation that describes a systematic relationship between the State's survey, inventory and National Register nomination process

  - Files on surveyed properties listed in National Register or determined eligible and data on properties nominated to the National Register or approved by the State Review Board

- o Survey file documentation indicating the number of properties, square miles surveyed in past year.
- o Back-up documentation for reporting outlay, effort, and products in the End-of-Year Report

5. NATIONAL REGISTER

- *o National Register nomination records for the preceding fiscal year
- o Record of requests from SHPO to Keeper for removals, boundary revisions, etc.
- o Back-up documentation for reporting outlay, effort, and products in the End-of-Year Report

6. REVIEW AND COMPLIANCE

- o Review and Compliance documents described as "products" in Attachment A
- o Back-up documentation used to report outlay, effort, and products in the End-of-Year Report

7. CERTIFICATION ASSISTANCE TO LOCAL GOVERNMENTS

- *o State procedures and records for certification of local governments
- *o State procedures and records for transfer of funds to CLGs
- o Documentation showing that State widely publicized procedures for transfer of funds
- o State records of CLG performance monitoring and evaluation
- o Back-up documentation for reporting outlay, effort, and products in the End-of-Year Report

8. PRESERVATION TAX INCENTIVES

- o Resumes of State staff involved in Part I and II reviews
- o State's Part I and Part II files and logs
- *o Record of staff attendance at NPS Regional workshops

- o Back-up documentation for reporting outlay, effort, and products in the End-of-Year Report

## 9. PUBLIC PARTICIPATION

- *o State's NPS-approved notification form for use in notifying owners and local officials of nominations to National Register

- o State's nomination files:

- o Copies of notification letters mailed
- o Copies of newspaper notices published
- o Lists of owners used in notifications
- o Copies of pending nominations on file for public access
- o Documentation describing the implementation of the State's open project selection process

## 10. TECHNICAL ASSISTANCE TO GOVERNMENT AGENCIES

- o Documentation verifying delivery of historic preservation technical assistance to governmental agencies

## 11. PUBLIC EDUCATION

- o Agendas of workshops and forums
- o Examples of SHPO responses to public inquiries for SHPO programs and activities
- o Examples of publications, pamphlets, brochures, booklets, books, and periodicals prepared and/or distributed during past fiscal year

Exhibit 30-C

## STATE NOTICE INVITING PUBLIC COMMENT ON ITS PRESERVATION PROGRAM

A National Park Service program evaluation team from the (Regional Office) will be in (name of city), on (date) to conduct an on-site program review of the (State) historic preservation office located at (address).

The State program review is conducted pursuant to the requirements of the National Historic Preservation Act and covers requirements and standards in the Procedures for Approved State and Local Government Historic Preservation Programs (36 CFR 61), the National Register Programs Guideline (NPS-49), and the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation.

The principal objectives of the program review will be to:

1. Determine if the State historic preservation office is operating at a satisfactory level in implementing the requirements of the National Historic Preservation Act, as amended. The program requirements are: legal authority and State Historic Preservation Officer designation, State staff and State Review Board qualifications and composition, Historic Preservation Fund grant management, the State survey, the National Register program, comprehensive preservation planning, review and compliance, the Certified Local Government program, public education, public participation, technical assistance to government agencies, and other activites such as preservation tax incentives.

2. Assess the policies, practices, and administrative controls used by the SHPO organization to: a) verify that grant funds are expended only for eligible activities that are accomplished according to Federal laws, regulations, and the terms and conditions of the Historic Preservation Fund (HPF) grants; and, b) enforce management practices to prevent fraud, waste, abuse, and mismanagement in grant-assisted activities.

This office invites you (or your organization) to comment on State's performance in implementing the program requirements noted in the objectives above. All these requirements will be examined by NPS during the on-site evaluation.

We ask that pertinent comments be expressed in writing and sent to: (NPS Regional Office/address). Comments must be received no later than 10 working days prior to the NPS on-site evaluation. Copies of the evaluation report will be sent to each commentor by the NPS Regional Office.

Exhibit 30-D

## Program Review Document

CONTENTS PAGE

- Review Sheets

I. Legal Authority and Designation of the SHPO 30-20

II. Staff Qualifications and Composition 30-22

III. State Review Board Qualifications and Composition 30-24

IV. Historic Preservation Fund Grants Management 30-26

V. Comprehensive Historic Preservation Planning 30-41

VI. Survey and Inventory 30-57

VII. National Register 30-65

VIII. Review and Compliance 30-77

IX. Certification of Local Governments 30-81

X. Preservation Tax Incentives 30-88

Note: This item is a program activity
rather than a statutory requirement

- Tally Sheet 30-95

NOTE: Verification inquiries for the Public Participation, Public Education, and Technical Assistance to Government Agencies Requirements are interspersed in the Program Review Document where appropriate. Individual inquiries are cross-referenced on the Tally Sheet page under those headings for evaluation purposes.

STATE: ____________ DATE: __________ REVIEWERS: ____________

REQUIREMENT: I. Legal Authority and Designation of the State Historic Preservation Officer

MINIMUM APPROVAL CRITERIA: The State program must provide for the designation and appointment by the Governor of a State Historic Preservation Officer to administer the program in accordance with SHPO responsibilities as defined in the Act.

SOURCES:

National Historic Preservation Act, as amended
National Register Programs Manual, Chapter 3,
36 CFR 61

VERIFICATION: YES NO

*1. Has the State Historic Preservation Officer been delegated sufficient legal authority to represent the State in carrying out the responsibilities specified in the National Historic Preservation Act, as amended (P.L. 89-665)?

*a. Can the State verify that a Governor's letter designating the current SHPO specifies that the SHPO is responsible for carrying out the Act and other Federal laws, and that, at a minimum, a copy of that letter has been transmitted to the NPS? ___ ___

or

*b. If the Governor's letter designating the current State Historic Preservation Officer does not mention SHPO responsibilities, is the holder of the position of State Historic Preservation Officer described in State Law or in other administrative directives, as having the responsibility for carrying out the Act? ___ ___

STATE:____________ DATE: ________________

REQUIREMENT: Legal Authority and Designation of the State Historic Preservation Officer (Continued)

| | YES | NO |
|---|---|---|
| CONCLUSION: In order to meet the minimum approval criteria for the SHPO designation requirement, the State must have satisfactorily met the verification question. | | |
| Does the State satisfy the minimum approval criteria for this requirement? | __ | __ |

FINDINGS:

RECOMMENDATIONS:

STATE: ____________ DATE: ___________ REVIEWERS: _____________

REQUIREMENT: II. Staff Qualifications and Composition

---

MINIMUM APPROVAL CRITERIA: The State program must provide for the employment or appointment by the SHPO of such qualified staff as may be necessary.

SOURCES: National Historic Preservation Act, as amended
36 CFR 61 National Register Programs Manual,
Chapter 3.

---

VERIFICATION:

| | | YES | NO |
|---|---|---|---|
| *1. | Does the State Historic Preservation Office meet the minimum professional staffing requirements of 36 CFR 61 for: | | |
| *a. | Historian, | ___ | ___ |
| *b. | Architectural Historian, and | ___ | ___ |
| *c. | Archeologist? | ___ | ___ |
| | OR | | |
| *d. | Has the SHPO requested and received NPS waivers of minimal State staffing requirements as specified in 36 CFR 61? | ___ | ___ |
| *1. | Are previous waivers in force, or, | ___ | ___ |
| *2. | has the State submitted a waiver request for its current fiscal year? | ___ | ___ |

REVIEW GUIDE

Items "a, b, and c" must be met unless "d" applies.

| | | YES | NO |
|---|---|---|---|
| *2. | Has the State provided, prior to the onsite visit a current organization chart showing the organizational flow from the State Historic Preservation Officer level which indicates, at a minimum: | ___ | ___ |
| a. | all positions by title; | ___ | ___ |
| b. | incumbent names for all positions; | ___ | ___ |

STATE:____________ DATE: _________________

REQUIREMENT: Staff Qualifications and Composition (Continued)

| | YES | NO |
|---|---|---|
| *c. which positions are HPF funded and which are not; | ___ | ___ |
| *d. which positions are full-time or part-time State staff positions and which are contractual; | ___ | ___ |
| *e. which positions are supervisory; and, | ___ | ___ |
| *f. a key which identifies staff performing major program areas of responsibility (using Attachment A program areas as category breakdowns)? | ___ | ___ |

CONCLUSION: In order to meet the minimum approval criteria for the staff Qualifications and Composition requirement, the State must meet both verification inquiries.

| | | |
|---|---|---|
| Does the State satisfy the minimum approval criteria for this requirement? | ___ | ___ |

FINDINGS:

RECOMMENDATIONS:

STATE: ____________ DATE: ___________ REVIEWERS: ____________

REQUIREMENT: III. State Review Board Qualifications and Composition

---

MINIMUM APPROVAL CRITERIA: The State program must provide for an adequate and qualified State Historic Preservation Review Board designated by the SHPO.

SOURCES: 36 CFR 61.4
National Register Programs Manual, Chapter 3

---

VERIFICATION:

| | YES | NO |
|---|---|---|
| *1. Does the State Review Board (where 2 or more boards exist, only the board reviewing National Register and appeals) meet the minimal professional staffing requirements of 36 CFR 61 for: | | |
| *a. Historian, | ___ | ___ |
| *b. Architectural Historian, | ___ | ___ |
| *c. Prehistoric Archeologist, | ___ | ___ |
| *d. Historic Archeologist, and, | ___ | ___ |
| *e. Architect? | ___ | ___ |
| OR | | |
| *f. Has the State program requested and received NPS waivers of minimal State Review Board Qualifications and Composition requirements as specified in 36 CFR 61? | ___ | ___ |
| *1. Are previous waivers in force, or, | ___ | ___ |
| *2. has the State submitted a waiver request for its current fiscal year? | ___ | ___ |

REVIEW GUIDE

Items "a, b, c, d, and e" must be met unless "f" applies.

| | YES | NO |
|---|---|---|
| *2. Does the State Review Board consist of at least five persons as specified in the National Historic Preservation Act, as amended? | ___ | ___ |
| *3. Does the majority of the State Review Borad membership meet the professional qualifications specified in 36 CFR 61.? | ___ | ___ |

STATE: ____________ DATE: _________________

REQUIREMENT: State Review Board Qualifications and Composition (Continued)

YES NO

REVIEW GUIDE

Check Review Board minutes to verify this information.

*4. Has the Review Board met at least 3 times in the last year? ___ ___

*5. Do written by-laws or rules of procedures exist which govern State Review Board functioning? ___ ___

REVIEW GUIDE

This inquiry is to determine whether the State Review Board operates under a set of established procedures for all its operations rather than in an ad hoc manner.

CONCLUSION: In order to meet the minimum approval criteria for the Review Board Qualifications and composition Requirement, the State must meet verification inquiries 1, 2, 3, 4 and 5.

Does the State satisfy the minimum approval criteria for this requirement? ___ ___

FINDINGS:

RECOMMENDATIONS:

STATE:____________ DATE:__________ REVIEWERS: ______________

REQUIREMENT: IV. Historic Preservation Fund Grant Management

---

| | |
|---|---|
| MINIMUM APPROVAL CRITERIA: | The State has adopted an organization and acceptable methods and measures to safeguard its resources; assure accuracy and reliability of its information; assure adherence to applicable laws, regulations, and policies; and promote operational economy and efficiency. |
| SOURCES: | National Register Programs Manual<br>OMB Circular A-123<br>Others as indicated |

---

VERIFICATION: Verification questions for this requirement are divided into three areas of inquiry: 1) Internal State Historic Preservation Office (SHPO) Operations; 2) Subgrant Administration; and, 3) audit. "Internal SHPO Operations" covers such program areas as knowledge of Federal cost principles and administrative requirements in OMB Circulars A-87 and A-102, internal financial management, internal operating budget, and work program completion. "Subgrant Administration" details SHPO administrative responsibilities of an external nature in dealing with subgrants in areas of public notice, subgrant award, monitoring, and close out of individual subgrant awards. "Audit" covers actions that have been taken by the SHPO as a result of the last financial audit report.

---

## 1. INTERNAL STATE HISTORIC PRESERVATION OFFICE OPERATIONS

### A. SHPO STAFFING

*1. Using the SHPO organization chart and staff resumes and through interviews, can the State demonstrate that appropriate personnel directly administering HPF program areas are knowledgeable in OMB Circulars A-87 and A-102?
Further, is it evident that the SHPO supervisor who oversees the incumbent(s) cited above is accountable for grant terms and requirements and is directly involved in the day-to-day operations for:

| | | | |
|---|---|---|---|
| a.) | selection of subgrants; | ___ | ___ |
| b.) | use of written subgrant agreements and contracts; | ___ | ___ |
| c.) | review and approval of HPF billings and disbursements; | ___ | ___ |
| d.) | accounting and related financial controls; | | |

STATE:____________ DATE:________________

| REQUIREMENT: HPF Grant Management (Continued) | YES | NO |
|---|---|---|
| e.) review of supporting documentation for billings to NPS to ensure that costs are allowable; and, | ___ | ___ |
| f.) formulation of advice on compliance and cost eligibility issues in the SHPO operating budget? | ___ | ___ |

## REVIEW GUIDE

The best means of assessing the familiarity of SHPO staff with the requirements of the OMB Circulars is having NPS staff with Federal grants experience perform interviews covering the HPF Grants Management topics of the review. Simply asking if SHPO staff are familiar with the Circulars is inadequate. As part of verifying the achievement of this internal control requirement, the State's past audit compliance issues and pattern of grant-related financial transactions should be examined prior to the review visit. Consistent overdue outstanding advances, overbillings to individual grants, poor procurement practices, etc., evidence either the lack of experienced SHPO staff or the failure by the SHPO to use the expertise of SHPO grants staff. (Note that a fiscal audit performed under OMB Circular A-102, Attachment P, which does not question any HPF grant costs, cannot necessarily be taken to indicate a lack of grants management problems; if the SHPO funds are a small part of a larger State agency being audited, very little focus may be placed on auditing HPF grants.)

Document the methods used (including techniques such as site inspections, reports, logs, and files) to verify the grant terms and conditions and the requirements of the Manual.

## B. CODE OF CONDUCT

| | YES | NO |
|---|---|---|
| *2. Does the SHPO enforce a written code or other written standards of conduct that prohibit staff conflict of interest in contracting with, awarding, expending, and/or administering HPF funds as specified in the Manual, Chapters 3, 5, and 17? | ___ | ___ |

STATE: ____________________ DATE: ________________

REQUIREMENT: HPF Grant Management (Continued) YES NO

*3. Does the SHPO enforce a written code or other written Standards that prohibit Review Board conflict of interest in contracting with, awarding, expending, and/or administering HPF funds (Manual, Chapters 3, 5 and 17)? Where State law establishes another State commission or similar entity that performs separate or parallel functions to the State Review Board or similar activities of 36 CFR 61, do similar Codes or Standards exist as specified in the Manual, Chapters 3, 5, and 17? ___ ___

## REVIEW GUIDE

Examine Review Board and/or other written standards of conduct, Employee Code of Conduct, SHPO grants manual, procurement procedures, etc. Establish whether State legal review of the above documents and procedures has taken place. Inquire as to whether any instances have occurred when the issue of conflict of interest was raised and what action, if any, was taken by the SHPO. Does the SHPO enforce the requirements specified in the HPF Manual, Chapters 3 (Section C.6), 5 (items 7 and 8), and 17 (Section E)?

## C. FINANCIAL MANAGEMENT SYSTEM

4. Does the SHPO use a sound financial management system including written procedural manuals in maintaining HPF-related:

a. accounting ledgers, ___ ___

b. invoicing and vouchering, ___ ___

c. cash receipts, ___ ___

d. material purchasing, ___ ___

e. subgrant compliance monitoring, ___ ___

f. verification of non-Federal share, and, ___ ___

g. required support documentation? ___ ___

STATE:____________ DATE: ____________________

REQUIREMENT: HPF Grant Management (Continued) YES NO

## REVIEW GUIDE

Verify that there exist written SHPO procedural manuals requiring clear audit trails as above. If these procedural manuals have been developed by a Statewide administrative agency (such as the State Finance Department), or described in general terms (rather than specific to HPF grants operations), assess whether responsible SHPO staff are knowledgeably adapting these manuals to HPF operations so that a clear audit trail exists to trace accounting transactions from source documents through to disbursements.

5. Does the SHPO require at least two (2) signatures (including, at a minimum that of the SHPO grants administrator and the appropriate SHPO program manager or SHPO) for authorizing grant-related payments and procurements? ___ ___

6. Can the SHPO grants staff demonstrate that receipts and expenditures for all HPF monies for each grant/subgrant are kept separately and keyed to the appropriate Federal Grant number(s)? ___ ___

## REVIEW GUIDE

Verify that all subgrants receipts and expenditures are keyed to the appropriate NPS grant number. Verify the means by which State staff time distribution records are fully documented (see Manual, Chapter 13, item B.11) and reviewed by knowledgeable SHPO grants staff to assure that costs charged to HPF grants are used only for time spent on eligible HPF activity. Also confirm that time distribution records are reviewed to accurately prepare and/or adjust Attachment A data.

7. If the SHPO is on the Letter of Credit system, are letters of credit being initiated only for immediate cash needs and are disbursements being reported to NPS as expenditures within 30 days as required by the Manual, Chapter 24? ___ ___

STATE:______________ DATE:____________

REQUIREMENT: HPF Grant Management (Continued) YES NO

REVIEW GUIDE

The review team should verify this information from documentation in the Regional Office before the on-site visit. Verify that there are no outstanding advances (beyond 30 calendar days) that have not been reported to NPS on an SF 272 as expended in full.

## D. BUDGET

*8. Has the SHPO organization submitted a grant application that accounts for all apportioned and carryover HPF funds on a timely basis for the current fiscal year? ___ ___

REVIEW GUIDE

Review the accuracy and consistency of the Part III Budget Forms. Verify that the current SHPO budget incorporates all funds apportioned to the State for the current fiscal year and all monies carried forward via Continuation Grants.

Verify that any overhead charges for SHPO operations or for subgrantees are based on current federally approved indirect cost rates.

## E. PUBLIC PARTICIPATION

9. Has the SHPO implemented an open project selection process that meets the purpose, goals, and implementation requirements of the Manual, Chapter 3.E.5? ___ ___

REVIEW GUIDE

Examine correspondence, public notice and other documentation detailing the functioning of the SHPO's open project selection process. Verify that the SHPO utilizes a public participation plan that provides an opportunity for citizens to participate in the development of the annual HPF grant application. (NOTE: This does not apply to operating budgets and personnel decisions.) In addition to public notice of subgrant availability (verification inquiry 11) and an objective rating and ranking system (verification inquiry 14), determine whether the process meets the goals specified in the Manual:

STATE: ________________ DATE: ______________

REQUIREMENT: HPF Grant Management (Continued) YES NO

1) To have public knowledge and participation in the project selection utilized by the State in allocating HPF assistance.

2) To have an opportunity for all eligible public and private organizations and individuals to submit project applications and have them considered on an equal basis by the grantee.

3) To have an equitable distribution of HPF assistance to all population segments in the State, including minority populations defined in 43 CFR 17, the elderly, and the handicapped.

4) To have awareness on the part of all eligible program beneficiaries of the process for obtaining HPF assistance.

To assess the implementation elements specified in the Manual, determine through review of correspondence and public notices that public hearings or meetings were held prior to the submission of the funding application; review minutes of the public hearings or meetings (as well as letters, newspaper articles, reports by SHPO staff, etc.) to note whether public comments were received and considered; review the application file and supporting documentation, such as task force reports or citizen study group reports to determine the degree to which citizen input shaped the formal funding application.

## F. END-OF-YEAR REPORT

*10. Are the End-of-Year Reports submitted to NPS reliable, accurate, and complete in keeping with NPS instructions? Have they been submitted in a timely manner? ___ ___

### REVIEW GUIDE

Assess the overall management system and source records upon which the End-of-Year Report was based (including Final Project Reports). This element is to be coordinated with specific verification inquiries included throughout this document. Establish that the last End-of-Year Report was prepared by SHPO staff on the basis of records that are:

STATE: ____________ DATE: ____________

REQUIREMENT: HPF Grant Management (Continued) YES NO

a) readily available, b) adequately protected, c) arranged in an orderly and easily retrievable manner, d) maintained on a periodic basis, and e) periodically reviewed for accuracy.

Prior to onsite visit, check the transmittal date of the End-of-Year Report. Establish that the Report was a) complete; b) prepared in accordance with NPS instructions (Manual, Chapter 25); c) transmitted in acceptable form within the deadlines established by NPS.

Examine the system used to generate the End-of-Year Report. Verify whether the SHPO requires and uses interim reports for his/her organization's own use that periodically compares actual accomplishments against planned performance proposed in the grant application, per Chapter 25, "Monitoring Requirements". (The End-of-Year Report data, both Attachment A and Attachment B, should be a cumulative compilation of interim reports during the Federal fiscal year, rather than being "thrown together" at the end of the year. Interim reports result in a more accurate reporting, as well as the fulfillment of the subgrant monitoring functions of verification inquiry 17.)

Sample the systems used to derive selected products reported in the End-of-Year Report for program areas not covered in this document. These areas are administration, development, acquisition, covenants, letters of agreement, and other Grant Management activities.

Verify that the error rate is no greater than 5%.

## 2. SUBGRANT ADMINISTRATION

### A. Notice of Grant Availability

*11. Does the State Historic Preservation Office provide public notice of the availability of HPF funds for subgrants, which includes information on HPF grant program requirements, application selection and award procedures, and compliance requirements (including convenants, when applicable)? ___ ___

STATE: ____________ DATE: ____________

REQUIREMENT: HPF Grant Management (Continued) YES NO

## REVIEW GUIDE

Examine any SHPO grants manual developed for HPF grants. Verify that the SHPO manual does not conflict with the Manual. Confirm that public notice on the availability of funds has been given. Verify that the SHPO manual and/or other information prepared by the SHPO and distributed to potential subgrantees covers the items cited above, and that adequate discussion (in the form of meetings, workshops, etc.) is also provided to potential applicants on major requirements.

### B. Subgrants Selection

*12. Do written application instructions require the applicant to provide, at a minimum:

a. a clear statement of work to be performed with proposed beginning and end dates; ___ ___

b. a statement regarding the final product(s) for the proposed grant; ___ ___

c. the donor, source, kind, and amount of nonfederal share to be contributed to the project by the applicant; ___ ___

d. an estimated budget; and ___ ___

e. an equal opportunity statement? ___ ___

13. a. Does the SHPO office have written internal procedures for the ranking/selection of subgrant applications that is consistent with the information provided to the public? ___ ___

b. Do these procedures include an assessment that application budgets consist of costs that are necessary and responsible to achieve sub-grant objectives?

c. Are these procedures followed? ___ ___

STATE: ____________ DATE: ____________

REQUIREMENT: HPF Grant Management (Continued) YES NO

14. Is grant selection/award the responsibility of more than one SHPO staff member? ___ ___

REVIEW GUIDE

Identify all parties involved in selection/award (including SHPO staff and Review Board or others, if applicable).

C. Subgrant Award

*15. At the time of grant award, does the SHPO execute written subgrant agreements that incorporate, in addition to the information specified in #13 above, the following:

a. specified timeframes for billing and explanation of the documentation to support billings (Chapter 28 of the Manual); ___ ___

b. an explanation of Federal and nonfederal share support documentation needed to justify billings (Chapters 17 & 28 of the Manual); ___ ___

c. an explanation of requirements governing competitive procurement when Federal funds are involved (Chapters 17 & 28 of the Manual); ___ ___

d. specified timeframes for required program and financial reports;

e. provisions that require an executed covenant prior to the disbursement of grant funds; and, ___ ___

f. procedures for amending proposed work and/or costs, including emphasis on obtaining prior written approval from the SHPO (and NPS, if required)? ___ ___

D. Subgrant Monitoring

*16. Verify that the SHPO has established and enforced written policies requiring the monitoring of subgrants while in progress, and has enforced a written requirement that subgrantees inform the State of significant problems, delays, or adverse conditions which materially affect planned performance. Does the SHPO's monitoring system appear to be working adequately to correct poor performance and to ensure that all deadlines are met? Verify that the written policies contain, at a minimum:

STATE: ____________ DATE: ____________

| REQUIREMENT: HPF Grant Management (Continued) | | YES | NO |
|---|---|---|---|
| a. | written procedures for subgrantees to inform the SHPO of significant problems, delays, and/or adverse conditions which materially affect planned performance; | ___ | ___ |
| b. | written requirements for subgrantee performance reports to the SHPO which provide for thorough and accurate reporting; | ___ | ___ |
| c. | written procedures for monitoring subgrantee record keeping, reporting, and control requirements of OMB Circulars A-87 and A-102 (or A-21, A-110, A-121, as applicable); | ___ | ___ |
| d. | written SHPO procedures to monitor receipt dates in accordance with dates established in Subgrant Agreement; and, | ___ | ___ |
| e. | written procedures for the periodic and coordinated monitoring of subgrantee performance by the SHPO program staff and SHPO grants staff. | ___ | ___ |

## REVIEW GUIDE

Document the methods used by SHPO to continuously monitor and supervise grant-assisted work, including on-site inspections as needed, to ensure that grant funds are only used for work that meets the appropriate Secretary's Standards and is included in the scope of the approved grant agreement.

Verify that there are written procedures that require SHPO staff to monitor in-progress subgrant performance and that SHPO staff responsible for monitoring subgrants verify subgrantee compliance with the Secretary's Standards and the record-keeping, reporting, and control requirements of OMB Circular A-87 and A-102.

Verify receipt dates to establish whether required reports are submitted according to the schedule in the Subgrant Agreement. The review sample should include subgrants which cross Federal fiscal years to verify that September 30 (or an earlier date) is a required reporting date for subgrantees.

STATE: ____________ DATE: ____________

REQUIREMENT: HPF Grant Management (Continued) YES NO

Verify that the SHPO enforces a requirement for subgrantee performance reports to be accurately completed according to written instructions provided by the SHPO.

Verify that the SHPO staff monitor performance reports to ensure that reports are prepared based on source records that:

1. are periodically reviewed by the SHPO program staff and SHPO grants staff;
2. are maintained on a current basis by the subgrantee; and,
3. show results according to the objectives specified in the Subgrant Agreement.

Verify that the performance reports are reviewed for accuracy and reliability by a designated responsible SHPO manager, and that procedures exist for taking action as necessary to improve subgrant performance.

## E. Subgrant Documentation

17. Are SHPO grant files complete and easily accessible, and and do they contain:

a. checklists and documents as per Chapter 28 of the Manual? ___ ___

b. documentation of compliance with the Standard Federal grant assurances (see Manual, Chapter 7, Exhibit 7-C)? ___ ___

c. written reports by SHPO staff documenting site visits, including findings and recommendations? ___ ___

### REVIEW GUIDE

Assess whether SHPO subgrant closeout practices include both a technical assessment of final products for compliance with the applicable Secretary's Standards, and of administrative/( fiscal documentation for compliance with subgrant terms and conditions.

STATE: ____________ DATE: ____________

REQUIREMENT: HPF Grant Management (Continued) YES NO

Spot check files by randomly selecting files on-site and inspecting them for completeness. This verification applies to supporting documentation for all grant-assisted activity, whether performed by the subgrantee or by any other party.

F. Subgrant Billings

18. Are appropriate procedures used to ensure grant payments are based upon documentation of adequate progress according to the Secretary's Standards, as determined by the responsible SHPO manager and reviewed by knowledgeable SHPO staff to ensure that the Federal and nonfederal shares are:

a. necessary and reasonable for the accomplishment of subgrant objectives; ___ ___

b. verifiable under the applicable cost principles; ___ ___

c. allowable under the applicable cost principles; ___ ___

d. not included as contributions for any other federally assisted program or paid for by the Federal Government under other grants; and, ___ ___

e. only for eligible activities included in the approved subgrant application and agreement or subsequent properly executed amendments? ___ ___

REVIEW GUIDE

Determine, via interview with SHPO staff, that all the items cited above are properly examined prior to processing subgrantee billings. Ascertain what procedures are in place to accomplish this review and verify that these procedures are followed. Is there a checklist for review which is used prior to the submission of billings to NPS?

STATE: ____________ DATE: ____________

REQUIREMENT: HPF Grant Management (Continued) YES NO

## G. Subgrant Closeout

*19. a. Does the SHPO program implement an acceptable system to ensure that grant funds are only used for work and costs that meet the appropriate Secretary of the Interior's Standards, that are eligible for HPF grant assistance, and that are included in the approved grant application or amended application? ___ ___

b. If funds are used for ineligible work, are such funds recovered and refunded to NPS? ___ ___

c. Are Final Project Reports submitted to NPS within 90 calendar days after the completion of each grant-assisted project? ___ ___

### REVIEW GUIDE

Assess whether SHPO subgrant closeout practices include both a technical assessment of final products for compliance with the applicable Secretary's Standards by the appropriate SHPO program manager, and of administrative/ fiscal documentation for compliance with subgrant terms and conditions by grants staff.

Determine that at the completion of all HPF-assisted work, Final Project Reports are provided to NPS in a form that:

a) compares actual accomplishments to planned performance under the subgrant agreement; and

b) conforms to the prescribed NPS Final Project Report instructions. (See Manual, Chapter 25.)

Verify the procedure by which Final Project Reports are reviewed by the SHPO and/or an independent SHPO staff official (i.e., one not involved in doing the work or preparing the Final Project Report) for accuracy, reliability, and verification that completed work was done in conformance with the Secretary's Standards.

If funds have been paid for ineligible costs, verify that such funds are recovered and refunded to NPS.

STATE: ____________ DATE: ____________

REQUIREMENT: HPF Grant Management (Continued) YES NO

20. a. Do written procedures exist to monitor and enforce covenants and preservation agreements for completed grant work, as required by the Manual, Chapter 5, Condition 12? ___ ___

b. Are these procedures being consistently implemented? ___ ___

3. AUDIT

21. a. Has the SHPO organization implemented procedures to correct compliance issues and management weaknesses identified in the last financial audit report? ___ ___

Has the SHPO repaid audit disallowances in a manner acknowledged by NPS (where applicable)? ___ ___

## REVIEW GUIDE

Review the SHPO's written response to NPS on compliance issues identified in the last financial audit report.

Verify that acceptable corrective procedures have been instituted and are currently being followed to rectify compliance deficiencies in State or subgrantee operations.

For audit disallowances that have been repaid with additional in-kind contributions rather than cash repayments, review billings submitted by the SHPO to ensure that the final billing under the appropriate grant demonstrates that the required excess matching share was, in fact, contributed. Also confirm that a corresponding amendment to increase the nonfederal share in the appropriate grant was submitted by the State and approved by NPS. (See OMB Circular A-102, Attachment P; prior financial audit reports. Guidelines for Financial and Compliance Audits of Federally Assisted Programs, Appendix I; and Manual, Chapter 27.)

CONCLUSION: In order to meet the minimum approval criteria for the HPF Grant Management requirement, the State must have satisfactorily met verification inquiries 1, 2, 3, 8, 10, 11, 12, 15, 16 and 19) and substantially meet the remaining verification inquiries as a whole.

STATE: ____________ DATE: ____________

| REQUIREMENT: HPF Grant Management (Continued) | YES | NO |
|---|---|---|
| Does the SHPO satisfy the minimum approval criteria for this requirement? | ___ | ___ |

FINDINGS:

RECOMMENDATIONS:

STATE:________________ DATE:____________ REVIEWERS:________________

REQUIREMENT: V. Comprehensive Historic Preservation Planning

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| | |
|---|---|
| MINIMUM APPROVAL CRITERIA: | Each State must prepare and implement a comprehensive historic preservation plan (National Historic Preservation Act, as amended)<br>Secretary's Standards for Preservation Planning:<br>The State comprehensive planning process shall establish historic contexts that are based on cultural theme, and geographical and chronological limits. (Standard I)<br>The plan shall formulate goals and priorities for identification, evaluation, registration, and treatment of historic properties. (Standard II)<br>The plan shall be available for integration into land planning processes of governmental and other entities. (Standard III) |
| SOURCES: | National Historic Preservation Act, as amended, Secretary's Standards for Preservation Planning |

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In the second round of State Program reviews, to be completed by the end of FY 1986, NPS will evaluate the progress States are achieving toward implementing preservation planning processes that reflect the recently established (September 29, 1983) Secretary's Standards for Preservation Planning. This evaluation will be based substantially on written descriptions of their comprehensive preservation planning process that States will have prepared as a consequence of a special condition in the FY 1985 grant agreements.

Round III State program reviews, which will be completed by the end of FY 1988, will evaluate each State's planning process through more detailed verification inquiries than were used in the Round II review. Probable Round III verification inquiries are included in this document to clarify for States the direction which future planning process evaluation is expected to take.

STATE:____________ DATE: __________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

FOR FY 1985/FY 1986 STATE PROGRAM APPROVAL (ROUND II)

The Fiscal Year 1985 Historic Preservation Fund grants apportionment certificate directs the National Park Service to implement the following as a special condition to each States' grant agreement:

...Grantees will be required to prepare a description and assessment of their comprehensive planning process, according to instructions to be provided by the National Park Service.

By the time Round II reviews begin, all States will have submitted the assessments to NPS/Regions. The assessments will have been evaluated by Regional staff to make a preliminary determination of the adequacy of the organizational and structural elements of State planning processes. Using the State-prepared assessment as the primary data source augumented by inquiries either made in advance or made during the on-site review, NPS/Regions will use the following outline to verify that States are making effective progress toward implementing a comprehensive historic preservation planning process that meets the Secretary's Standards.

In order to successfully meet the minimum approval criteria for Round II, therefore, States must (1) have prepared an adequate assessment and (2) have satisfactorily met all asterisked (*) inquiries during the on-site review. The Review Guides are provided only as general guidelines for inquiry by the review teams.

STATE: __________ DATE: ____________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

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VERIFICATION:

YES NO

*1. Is the State's comprehensive historic preservation planning process adequately defined? ___ ___

*A. Is there a written description of the organization and structure of the State's comprehensive historic preservation planning process that includes all elements of the Secretary's Standards for Preservation Planning? ___ ___

*B. Are areas of responsibility for preservation planning activities clearly established within, and coordinated among, elements of the State preservation program? ___ ___

## REVIEW GUIDE

A table of organization should be available identifying who on staff has operational responsibility for organizing and implementing comprehensive preservation planning. The review team should examine typical lines of authority and interaction among different functional units in managing and articulating with the planning process. The team also may review position descriptions for consistency with the table of organization. States should have an implementation plan that identifies planning tasks and the sequence in which these tasks will be initiated and performed.

*C. Has a method been established to provide opportunities for public participation as a routine part of the preservation planning process? ___ ___

## REVIEW GUIDE

The public participation process at least should identify who the "publics" are, how they are to be contacted, and what role they may play when participating.

STATE ____________ DATE: ________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

| | YES | NO |
|---|---|---|
| *2. Is implementation or expansion of the defined comprehensive planning process underway? | __ | ___ |
| *A. Has linkage among and coordination between the planning process and other program areas of the State historic preservation office been established? | __ | ___ |

## REVIEW GUIDE

Does the State have a formal procedure for incorporating the priorities and objectives of the comprehensive plan into the direction of program areas such as Survey, Registration, and Review and Compliance? This direction should be seen in such things as annual work plans, contract scopes of work, subgrant project descriptions, etc.

| | YES | NO |
|---|---|---|
| *B. Does the State have a procedure for organizing all types of properties (historic and prehistoric) into documented historic or cultural contexts? | __ | ___ |
| *C. Does the preservation planning process include a means for timely distribution of the substance of State preservation priorities to other agencies, whose activities the SHPO determines to have an important impact on the preservation of historic properties, for use in their decision-making processes? | __ | ___ |

## REVIEW GUIDE

The State should have a documented means for identifying agencies whose activities significantly affect historic properties, an understanding of how and when their planning processes use historic resource information and a timely means for making preservation priorities available to these other processes. Has the State identified agencies having significant effect on historic properties and does it have a program of continuing contact with those agencies to identify and respond to mutual needs for information?

STATE: ____________ DATE: ____________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

YES NO

*D. Are appropriate members of the public provided realistic opportunities to contribute to the content of the data, priorities, and objectives of the planning process? ____ ____

## REVIEW GUIDE

The State should have initiated contact with the "publics" or explain the planning process and describe public participation opportunities. There also should be a record of some such opportunities having taken place.

*3. Is there a formal means for periodically revising the planning process? ____ ____

## REVIEW GUIDE

Is there a method for revising preservation plan goals and priorities based on new survey data, historical research, preservation/protection results, land use or development documents, etc?

The State should be able to document how the preservation planning process is maintained as a dynamic and up-to-date summary of (1) what is known or protected, and (2) what needs to be done or preserved. This updating method should include public participation opportunities.

*4. Verification of End-of-Year Report Data

*A. Are the Outlay data accurate? ____ ____

## REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*B. Are the Effort data accurate? ____ ____

STATE:____________ DATE: ________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

YES NO

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*C. Are the Products data that are used for apportionment purposes accurate? __ __

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*D. Are non-apportionment Products data accurate? __ __

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

CONCLUSION: In order to meet the minimum approval criteria for the comprehensive historic preservation planning requirement, the State must have an approved assessment (Special Condition in FY 1985 grant agreements) and have satisfactorily met verification inquiries 1A, B, C; 2A, B, C, D; 3 and 4.

Does the State satisfy the minimum approval criteria for this requirement? __ __

STATE:_____________ DATE: ____________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

YES NO

FINDINGS:

RECOMMENDATIONS:

STATE: ____________ DATE: ____________________

REQUIREMENT: Comphrehensive Historic Preservation Planning (Continued)

## FOR FY 1987/1988 STATE PROGRAM APPROVAL (ROUND III)

Round III verification inquiries are provided so that States will have specific guidance on the greater level of detail NPS will use in future reviews. Round III inquiries may undergo review and revision after Round II is completed; however, any refinements that are made in the Program Review Document will be made formally and in accordance with the procedures for amending the National Register Programs Manual (see "Introduction" section).

The verification inquiries herein describe components of a State preservation planning system. States must meet each of the asterisked categories (1-7) and sub-categories (lettered A, B, C, etc.) in order to adequately meet the minimum approval criteria. Non-asterisked questions and Review Guides are provided as general guidelines for inquiry for the review teams.

STATE:____________ DATE:____________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

YES NO

VERIFICATION:

*1. Is the State's comprehensive historic preservation process adequately defined? ___ ___

*A. Is there a written description of the organization and structure of the State's comprehensive historic preservation planning process that includes all elements of the Secretary's Standards for Preservation Planning? ___ ___

*B. Are areas of responsibility for preservation planning activities clearly established within the State preservation program? ___ ___

### REVIEW GUIDE

A table of organization should be available identifying who on the staff has operational responsibility for organizing and implementing comprehensive preservation planning. The review team should examine typical lines of authority and interaction among different functional units in managing and articulating with the planning process. The team also may review position descriptions for consistency with the table of organization.

*C. Are methods established to provide opportunities for meaningful public participation as a routine part of the preservation planning process? ___ ___

### REVIEW GUIDE

The public participation process at least should identify who the "publics" are, how they are contacted, and what role they may play when participating. The review team should determine the extent to which the public is provided realistic opportunities to contribute to the content of the data and to priorities and objectives of the planning process.

STATE: ____________ DATE: ____________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

YES NO

*2. Is implementation or expansion of the defined comprehensive preservation planning process underway? ___ ___

*A. Has coordination between the planning process and other program areas of the State historic preservation office been established? ___ ___

REVIEW GUIDE

The State's preservation planning process should be used to organize and direct SHPO activities and procedures in the following program areas:

-National Register nominations program
-Survey and Planning subgrants
-Compliance and project review activities
-Public information and education programs

*B. Is there a clearly formulated implementation process underway for developing and revising historic context descriptions and a common structure from which historic contexts are derived? ___ ___

*1. Has the State established a common basis for the formulation of historic context definitions? ___ ___

*2. Is this common structure interdisciplinary in nature? ___ ___

*3. Has State survey and inventory information been utilized in the formation of historic contexts? ___ ___

REVIEW GUIDE

States should have a written description of their comprehensive preservation planning process. The description should include:

STATE:____________ DATE: _________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

YES NO

-- the framework for defining and revising historic context descriptions, including the conceptual basis which provides the temporal boundaries and geographical limits (preferably a graphic, i.e. a map) and a set of property types with associated definitions

-- an explanation of the degree to which professionals from various preservation disciplines were represented in defining the historic contexts, and -- an explanation of the role the State inventory played in substantiating the conceptual basis, geographical limits, temporal period, and property types of the historic contexts.

*C. Are the National Register criteria given specific expression in each historic context? ___ ___

1. Does each historic context's conceptual definition provide a basis for separating important associative and research values from those that are not? ___ ___

2. Does each historic context identify, to the extent possible based on previous surveys, the appropriate physical condition that properties should possess to be considered as having retained their integrity? ___ ___

## REVIEW GUIDE

The conceptual definition of each historic context should be written in such a way as to give specific meaning to the National Register criteria. For example, Criterion D - important information in history and prehistory, would be given specific meaning in the form of research questions derived from the conceptual basis of the historic context.

Property types identified for each historic context should be described in terms of their significance or the importance of their roles in the historic context. Each property type should also be described, to the extent

STATE: ____________ DATE: ____________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

YES NO

possible based on previous surveys, in terms of the physical condition it should possess to adequately convey associations with historical patterns, architectural or engineering design and technology, or information about a culture or people. Where appropriate, property types should be described in terms of the data necessary to address important information needs.

*D. Is the process for accumulating new information and periodic review part of the planning process? ___ ___

1. Does the planning process identify sources wherein new information will be obtained that will eliminate the most significant data gaps? ___ ___

2. Does the process have provisions for using information to update historic contexts and their respective goals? ___ ___

3. Does the process specify the conditions under which such reviews and updates will take place? ___ ___

## REVIEW GUIDE

In the document describing its planning process, the State should discuss its approach to identifying significant gaps and eliminating them. Documents describing specific historic contexts should be reviewed for consistency with this approach. Other activities undertaken by the State, e.g. 106 consultations should also reflect this approach.

*3. Is there a means for developing historic context goals and priorities? ___ ___

STATE: ____________ DATE: ________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

| | | YES | NO |
|---|---|---|---|
| *A. | Are there goals and priorities for survey activities in each historic context? | ___ | ___ |
| *B. | Are there goals and priorities for evaluation activities in each historic context? | ___ | ___ |
| *C. | Are there goals and priorities for registration activities in each historic context? | ___ | ___ |
| *D. | Are there goals and priorities for the treatment of historic properties in each historic context? | ___ | ___ |

## REVIEW GUIDE

The State should be able to describe its approach towards developing goals and priorities for each historic context and a rationale for their ranking. Adequacy is verified by the extent to which prior fiscal year Survey and Planning subgrants, Section 106 consultation documents, National Register nominations, and other relevant documents that are products of the State preservation office were derived from historic context goals and priorities.

| | | YES | NO |
|---|---|---|---|
| *E. | Is the State survey or inventory used efficiently in the development of historic context goals and priorities? | ___ | ___ |

## REVIEW GUIDE

The State should be able to describe how surveys and inventories are used as a basis for characterizing the status of property types; for example, their physical condition, level of documentation, and level of impact. This information leads to development of goals and priorities to fill in gaps in knowledge.

STATE:____________ DATE: ________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

YES NO

Does the preservation planning process include a means for timely distribution of the substance of preservation priorities to other agencies, whose activities the State determines to have an important impact on preservation of historic properties, for use in their decision-making processes? ___ ___

REVIEW GUIDE

The State should have a documented means for identifying agencies whose activities significantly affect historic properties, an understanding of how and when their planning processes use historic resource information, and a timely means for making preservation priorities available to these other processes. Has the State identified agencies having significant effect on historic properties and does it have a program of continuing contact with those agencies to identify and respond to mutual needs for information?

*5. Is there a formal method designed for revising the preservation planning process? ___ ___

*A. Is there a method for revising planning priorities and objectives? ___ ___

*B. Is there a method for incorporating new information such as new survey data, historical research, preservation/protection project results, land use or development documents, etc? ___ ___

REVIEW GUIDE

The State should be able to specify how the preservation planning process is maintained as a dynamic and up-to-date summary of (1) what is known or protected, and (2) what needs to be done or preserved. This updating method should include public participation opportunities.

STATE: ____________ DATE: ________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

| | YES | NO |
|---|---|---|
| *6. Verification of End-of-Year Report Data | | |
| *A. Are the Outlay data accurate? | ___ | ___ |

## REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

| | YES | NO |
|---|---|---|
| *B. Are the Effort data accurate? | ___ | ___ |

## REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

| | YES | NO |
|---|---|---|
| *C. Are the Products data that are used for apportionment purposes accurate? | ___ | ___ |

## REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

| | YES | NO |
|---|---|---|
| *D. Are non-apportionment Products data accurate? | ___ | ___ |

## REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

STATE:______________ DATE: ____________________

REQUIREMENT: Comprehensive Historic Preservation Planning (Continued)

| | YES | NO |
|---|---|---|
| CONCLUSION: In order to meet the minimum approval criteria for the Comprehensive Historic Preservation Planning Requirement, the State must have satisfactorily met verification inquiries 1 through 6 including all the lettered sub-category inquiries. | | |
| Does the State satisfy the minimum approval criteria for this requirement? | __ | __ |

FINDINGS:

RECOMMENDATIONS:

STATE: ____________ DATE: ________ REVIEWERS: ______

REQUIREMENT: VI. Survey and Inventory

---

MINIMUM APPROVAL CRITERIA:

Each State must direct and conduct a comprehensive statewide survey and maintain inventories of such properties.

Each State must meet the following Secretary's Standards for Identification:

I. Identification of historic properties is undertaken to the degree required to make decisions.

II. Results of Identification activities are integrated into the preservation planning process.

III. Identification activities include explicit procedures for record keeping and information distribution.

Each State must meet the following Secretary's Standards for Evaluation:

I. Evaluation of the significance of historic properties uses established criteria.

II. Evaluation of significance applies the criteria within historic contexts.

III. Evaluation results in a list or inventory of significant properties that is consulted in assigning registration and treatment priorities.

IV. Evaluation results are made available to the public.

Special Conditions to FY 1984 and FY 1985 apportionment that emphasis must be given to survey and planning activities. The Special Condition states that: ". . . . grantees are to promote surveys in areas of known development activity in order to reduce project delays and to continue to develop data for planning use."

STATE: ____________ DATE: ________________

REQUIREMENT: VI. Survey and Inventory (Continued) YES NO

SOURCES: National Historic Preservation Act, as amended
36 CFR 61
Secretary of the Interior's Standards for Identification and
Evaluation Special Conditions to FY 1984 and FY 1985 HPF
Certificate of Apportionment National Register Programs Manual

VERIFICATION:

*1. Did the State promote surveys in areas of known development activity in order to reduce project delays and to continue to develop data for planning use? ___ ___

*a. Did the State employ a specific analytic process to determine areas of known development activity? ___ ___

*b. Did the State's survey program emphasize these areas? ___ ___

*c. Were these survey data incorporated in the State's planning process? ___ ___

d. In promoting surveys in areas of known development activity, did the State emphasize and focus on those areas that are to be affected as a result of Federal licensing or permitting (e.g., surface mining, Section 10 permits, Section 404 permits, etc.)?

REVIEW GUIDE

A special condition to the Fiscal Year 1984 and 1985 HPF Certificate of Apportionment directed grantees to emphasize survey and planning activities. States should be able to explain how their priorities for survey implemented this condition. Although not a program requirement, note if possible, the extent to which surveys related to areas where Federal licensing and permitting authority impacts development.

*2. Is there a system for ensuring tht all surveys for which results are recorded in the End-of-Year Report are prepared according to the Secretary of the Interior's Standards for Identification and Evaluation? ___ ___

STATE:____________ DATE: _________________

REQUIREMENT: Survey and Inventory (Continued)

| | YES | NO |
|---|---|---|
| *a. Are surveys designed, conducted or supervised by persons qualified by education, training or experience? | _ | _ |
| *b. Are the research designs, objectives, methodologies, and expected and actual results of the survey clearly written? | _ | _ |
| *c. Are surveys performed or verified by persons qualified by education, training, or experience in the application of National Register criteria? | _ | _ |

## REVIEW GUIDE

The State should be able to document that HPF-assisted surveys, survey contracts or agreements, or any other products included in the End-of-Year Report (such as Federally contracted surveys that the State counts in its End-of-Year Report) are designed, conducted or supervised by those who meet the professional requirements in Appendix A of 36 CFR 61; and that they require that the amount and quality of collected documentation for reconnaissance and intensive level surveys meet specifications in the Secretary's Standards.

States should be able to document for HPF-assisted surveys and all other surveys counted in the End-of-Year Report, that field evaluations are made or verified by individuals who meet the professional requirements in Appendix A of 36 CFR 61.

The team should check files for the types of surveys conducted, whether a research design was prepared prior to each survey, and whether reports on reconnaissance and intensive surveys include the information outlined in the Secretary of the Interior's Guidelines for Identification.

Survey results should be reported in a format that summarizes the design and methods of the survey, provides a basis for others to use the results, and states where information on identified properties is maintained.

STATE:_____________ DATE: __________________

REQUIREMENT: Survey and Inventory (Continued)

The State should be able to document that statements of survey objectives or the research designs are prepared before surveys funded with HPF monies are conducted, and that research designs in survey reports include statements of the identification activities, methods to be used to obtain the information, the expected results, and reasons for those expectations.

Survey reports conducted for surveys initiated after May 13, 1984 (the effective date of 36 CFR 61) should include the following:

Both reconnaissance and intensive survey reports should document:

1. Objectives;
2. The areas research or surveyed;
3. A research design or statement of objectives;
4. The methods used, including the intensity of coverage if the methods differ from those outlined in the statement of objectives, (the reasons should be explained);
5. The kinds of properties looked for;
6. The boundaries of the area surveyed;
7. The results: how the results met the objectives, result analysis, implications and recommendations, and where the compiled information is located.

Reconnaissance survey reports should document:

1. The kinds of historic properties present in the surveyed area;
2. Specific properties that were identified and the surveyed area;
3. Places examined that did not contain historic properties.

Intensive Survey reports should document:

1. A record of the precise location of all properties identified; and
2. Information on the appearance, significance, integrity and boundaries of each property sufficient to permit an evaluation of its significance.

STATE: ____________ DATE: ________________

REQUIREMENT: Survey and Inventory (Continued) YES NO

*3. Is there a functional relationship among the State's survey, inventory, and National Register processes? ___ ___

### REVIEW GUIDE

The State should be able to provide documents or a clear explanation that demonstrates that groups of related properties are evaluated together at the completion of community surveys or theme studies whenever possible, and that new information from surveys and other research is integrated into existing data to update historical contexts within which properties are evaluated.

The review team should also check a sampling of survey data and reports to verify that they include enough information to provide a basis for establishing evaluation and registration priorities. (See Requirement VII, National Register," inquiry 2.b)

*4. Did the State add new properties to its inventory in the last completed fiscal year? ___ ___

*5 Does the documentation in the State's inventory files meet the Secretary of the Interior's Standards for Identification and Evaluation? ___ ___

### REVIEW GUIDE

#### File Documentation

State inventory files should contain the following items:

1. Summaries of the important historic context assessments. These may be in the form of a preservation plan or analyses of historic contexts important in the history of a geographical area covered by the inventory. They may also be contained in the survey reports for the appropriate geographical area, in which case the location of the information should be noted in the inventory file.

2. Descriptions of significant property types in these contexts, whether or not any specific properties have been identified.

STATE:____________ DATE: ________________

REQUIREMENT: Survey and Inventory (Continued)

3. Results of reconnaissance surveys or other identification activities, even if the level of information on specific properties identified as part of those activities is not sufficient to evaluate individual properties.

4. Information on individual properties that was used in evaluation:

   a. the historic context(s) identified by name with reference to documents describing those context(s), or with a narrative statement about the context(s) where such documents do not exist

   b. a description of the property (part of this description may be a photographic record)

   c. a statement that justifies the significance of the property in relation to its context(s). This statement should include an analysis of the integrity of the property

   d. boundaries of the property

   e. record of when a property was evaluated and included in the inventory and by whom

   f. records on demolished or altered properties and properties evaluated as not significant, along with a full description of areas surveyed for the planning information. These records provide information about impacts to properties and about the location and character of nonsignificant properties and can help to prevent redundant identification work at a later time.

5. Files on properties listed in or determined eligible for the National Register.

6. Data on properties nominated to the National Register or approved by the State Review Board for nomination.

7. Data that indicates after evaluation by the SHPO or the Secretary of the Interior that specific properties are ineligible for listing in the National Register.

*6. Does the State cooperate with Federal agencies in meeting their responsibilities to locate and inventory properties that may qualify for inclusion in the National Register? ___ ___

STATE: ____________________ DATE: _______________

REQUIREMENT: Survey and Inventory (Continued) YES NO

**REVIEW GUIDE**

The State should be able to demonstrate that it provided assistance to Federal agencies, for example, in response to requests for opinions of eligibility.

*7. Is survey and inventory data:

*a. maintained in an easily accessible format, and kept up-to-date for use by Federal, State, and local planners; and, ___ ___

*b. stored in a safe and secure location? ___ ___

*8. Is the State operating a system for accurately reporting survey and inventory outlays, products and efforts for the current fiscal year? ___ ___

**REVIEW GUIDE**

Do the State survey files contain the following, in addition to the information listed under questions 2 and 3 above: source documents that support the reporting of property types, and the number of properties/square miles used in the End-of-Year Report?

*9. Verification of End-of-Year Report Data

*a. Are the Outlay data accurate?

**REVIEW GUIDE**

To answer this question, use the procedure described in Chapter 31, Section G.

*b. Are the Effort data accurate? ___ ___

**REVIEW GUIDE**

To answer this question, use the procedure described in Chapter 31, Section G.

*c. Are the Products data that are used for apportionment purposes accurate? ___ ___

STATE:________________ DATE:____________

REQUIREMENT: Survey and Inventory (Continued) YES NO

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*d. Are non-apportionment Products data accurate? __ __

REVIEW GUIDE

To answer this question, use the procedure described in Chaper 31, Section G.

CONCLUSION: In order to meet the minimum approval criteria for the survey and inventory requirement, the State must have satisfactorily met 36 CFR 61.6, the appropriate Secretary's Standards, have implemented a system for survey and inventory, have met special conditions (if any), and have verifiable Attachment A data and the capacity for producing such data. This is demonstrated by meeting verification inquiries 1, a, b, c, 2, 3, 4, 5, 6, 7, 8 and 9.

Does the State satisfy the minimum approval criteria for this requirement? __ __

FINDINGS:

RECOMMENDATIONS:

STATE:________________ DATE:_____________ REVIEWERS:________________

REQUIREMENT: VII. National Register

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EXPLANATION OF PROGRAMMATIC APPROACH:

Each State must develop an approach for nominating properties to the National Register which will enable programmatic review of the State's National Register nomination program by the National Park Service.

The programmatic evaluation method is based upon:

1. Principal documentation storage in the State rather than by the National Park Service on each nomination.
2. Full documentation storage by the National Park Service of the contexts and criteria under which properties are nominated.
3. Full documentation in the State of the registration information that locates, describes, and justifies the significance and integrity of each nomination.

Objectives of programmatic review of State National Register programs are:

1. To maintain the integrity of the National Register as a national inventory.
2. To coordinate the National Register policies and procedures with preservation planning standards at the Federal, State, and local levels.
3. To align State/regional/Federal systems to insure consistency in decisionmaking.

REQUIREMENT: National Register (Continued)

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4. To reinforce the National Park Service emphasis on review of programs rather than products whenever possible.

5. To enable greater direction of National Park Service staff time toward program development and technical assistance.

6. To make State programs accountable for nominations of properties to the National Register.

**MINIMUM APPROVAL CRITERIA:**

Each State must identify and nominate eligible properties to the National Register and otherwise administer the nomination process pursuant to the requirements of 36 CFR 60.

Each State's nominations must include the documentation required by NPS.

Each State must meet the Secretary's Standards or Evaluation:

I. Evaluation of the significance of historic properties using established criteria.

II. Evaluation of significance applies the criteria within historic contexts.

III. Evaluation results in a list or inventory of significant properties that is consulted in assigning registration and treatment priorities.

IV. Evaluation results are made available to the public.

Each State must meet the Secretary's Standards for Registration:

I. Registration is conducted according to stated procedures.

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II. Registration information locates, describes, and justifies the significance and physical integrity of a historic property.

III. Registration information is accessible to the public.

SOURCES:

1. National Register statistics.
2. National Historic Preservation Act, as amended.
3. 36 CFR 60.
4. End-of-Year Reports.
5. Secretary's Standards for Evaluation and Registration.
6. National Register "How-Tos," "Bulletins," and other published materials.

REVIEW PROCEDURES:

Under programmatic review of State National Register Programs, the National Park Service should review each State's National Register nomination program in the following ways:

1. as a component of the biennial State program evaluation (Washington staff participates with Regional staff in this part of the evaluation for selected States);

2. by routine checking of State submissions of the following types of nominations to the Keeper of the National Register :

   a. Nominations involving properties less than 50 years old.

   b. Nominations for which States request substantive review.

   c. Nominations which have owner, or in the case of districts, majority-owner objections.

STATE:____________ DATE: ________________

REQUIREMENT: National Register (Continued)

d. Nominations which are appealed.

e. Most nominations submitted to Federal agencies.

f. Nominations selected at the discretion of NPS.

3. as specific nomination-related issues arise.

RESULTS OF REVIEW:

Programmatic review of States' National Register programs will constitute part of the biennial programmatic evaluation; as a result of this review, a State's nomination program will be either (1) APPROVED or (2) NOT APPROVED. If the State is APPROVED, National Park Service review of nominations will be limited to sample reviews plus, when occasions require, individual review of specific types of nominations. If the State is NOT APPROVED, the National Park Service will provide technical assistance if appropriate, and will review 100% of the nominations which relate to the problem areas which are submitted by the State during the four month or other agreed upon period provided by this program evaluation process for the correcting of deficiencies.

VERIFICATION:

1. PLAN: FRAMEWORK FOR EVALUATING RESOURCES AND MAKING DECISIONS ON SIGNIFICANCE

| | YES | NO |
|---|---|---|
| *a. Is the evaluation process a part of the State comprehensive historic preservation planning process? | ___ | ___ |

STATE:____________ DATE: __________________

REQUIREMENT: National Register (Continued) YES NO

*b. Are the evaluations of significance made within proper, pertinent, and pre-determined historic contexts? ___ ___

REVIEW GUIDE

Refer to Requirement VI "Survey and Inventory", inquiry 3, and its Review Guide for verification of inquiries 1a and 1b.

*c. Are the National Register criteria for significance properly applied ___ ___

*d. Are the National Register criteria for integrity properly applied? ___ ___

REVIEW GUIDE

Information provided by the Keeper of the National Register will form the basis for verification of inquiries 1c and 1d (see Review Guide for inquiries 4d-4f of this Requirement).

*e. Does the State apply evaluation criteria similarly in all program areas? ___ ___

REVIEW GUIDE

Verification will be based partly on information provided by the National Register as a result of its nomination audit, and partly on a review of sample files pulled by the State in advance of the on-site visit. The Regional Office should ask the State to have the following items ready for examination by the review team: a few files containing documentation and evaluation comments on properties judged by the State not to be eligible for the National Register, copies of State Review Board minutes, a few examples of responses to Federal requests for opinions of eligibility, and a few State review sheets for Part I tax certification applications.

STATE: ____________ DATE: ______________________

YES NO

REQUIREMENT: National Register (Continued)

## 2. POLICY: PRIORITIES FOR STATE DECISION-MAKING

*a. Has the State established a set of priorities and a rationale for submitting National Register nominations to the National Park Service as part of an articulated State and local preservation planning process? ___ ___

### REVIEW GUIDE

The State should be able to provide a document or documents, such as written statements of policies and procedures, survey reports, annual work plans, or comprehensive planning documents, that explain the State's method for developing and implementing priorities for nominations. Information provided from Requirement V, "Comprehensive Historic Preservation Planning" and/or Requirement VI, "Survey and Inventory", inquiry 3, may be used for verification.

*b. Is the National Register program tied to the Identification and survey programs? ___ ___

### REVIEW GUIDE

State priorities for nominating properties to the National Register should include a systematic method for nominating properties documented as eligible for the National Register by intensive surveys. The review team should check nominations with properties documented in survey reports and inventory files.

*c. Is the National Register program related to the State's protection priorities? ___ ___

### REVIEW GUIDE

Information from the evaluation of Requirement V, "Comprehensive Historic Preservation Planning" is sufficient, (see inquiry 2.A., 2.C, and 3.C).

STATE:____________ DATE: ________________

REQUIREMENT: National Register (Continued) YES NO

## 3. PROCEDURES: METHODS AND STANDARDS FOR GENERATING NOMINATIONS

*a. Can the State demonstrate that the priorities, rationale, and procedures established for submission of National Register nominations to the National Park Service are being followed? __ __

*b. Are registration activities conducted in accordance with 36 CFR 60? __ __

### REVIEW GUIDE

The State staff should be able to provide a description of procedures and show support documents that clearly explain how the methods of processing nominations, performing notification using NPS approved notices, and working with the Review Board meet the requirements of specific sections of the regulations.

A small sample of State nomination files for nominations processed in a recent fiscal year should be reviewed to determine if property owners, local officials and Federal agencies were identified and properly notified within the specified time periods before Review Board meetings, and notified after listing. Check sample results with the requirements in 36 CFR 60.

Check one or more of the following: copies or records of notification letters, copies or records of newspaper notices, checklists of land/tax records or other approved sources used in notification, copies of pending nominations on file for public access. Records should also be checked to confirm that States processed requests for nominations according to the requirements of 36 CFR 60.

The review team should check that the State is using approved forms for notifying owners and local officials of the State's intent to nominate properties to the National Register.

STATE:____________ DATE: ________________

REQUIREMENT: National Register (Continued) YES NO

*c. Have procedures for the review of nominations by the Review Board been formulated, and do they include providing the Review Board with information important in making decisions according to National Register criteria, policies, standards, and guidelines? __ __

REVIEW GUIDE

The review team should check the information provided to Review Board members, including copies of National Register regulations and published guidance materials, advance copies of nominations to be considered at Board meetings, and notification of SHPO and National Register decisions that are contrary to Review Board recommendations.

*d. Does the State assist Federal agencies in meeting their responsibility to nominate eligible properties to the National Register? __ __

REVIEW GUIDE

The State should be able to provide records showing that completed nominations submitted to the SHPO by Federal agencies received review and comment as required by 36 CFR 60.9.

*e. Can the State demonstrate that it disseminates written information on the criteria for evaluation, effects of listing and other aspects of the National Register program, and that it conducts workshops or public meetings for the purpose of discussing the National Register program? __ __

REVIEW GUIDE

The State should be able to explain and demonstrate that it has a sound method for organizing and publicizing information. Does the method provide a system for safeguarding sensitive information, such as the location of vulnerable archeological sites, from general public distribution?

4. PRODUCTS: COMPLETED NOMINATIONS THAT ARE ACCURATE AND PROPERLY DOCUMENTED

STATE:____________ DATE: ________________

REQUIREMENT: National Register (Continued) YES NO

*a. Can the State demonstrate a system that assures its nominations are well documented and accurate?

Do they follow National Park Service guidelines? __ __

REVIEW GUIDE

Requirement VI ("Survey and Inventory") inquiries 2, 3, and 5, and information on State nominations provided by the Keeper of the National Register will aid in verification.

States must also demonstrate an effective means for assuring the accuracy and completeness of documentation provided in survey reports, inventory sheets, and nominations prepared by those outside the State Historic Preservation Office. State staff activities that help ensure conformance with the Secretary of the Interior's Standards for Evaluation and for Registration include evaluation of documentation by staff qualified in the discipline within which a property may be significant; careful editing of nomination forms; on-site inspections of properties by qualified individuals; and workshops for those conducting surveys, performing evaluations, and preparing documentation and nominations.

*b. Can the State demonstrate (through survey reports, nomination forms, study units, or other means) that adequate historic contexts have been developed to evaluate properties? __ __

*c. Can the State show sufficient supporting documentation such as maps and photographs? __ __

*d. Did the State submit any nominations to the National Register in the past fiscal year? __ __

*e. Did the State take specific actions requested by the Keeper in every instance following an appeal in the past fiscal year? __ __

**STATE:**____________ DATE: ________________

**REQUIREMENT:** National Register (Continued) YES NO

*f. Do National Register nominations submitted to the Keeper adequately locate, describe and justify the significance and physical integrity of historic properties in accordance with written guidance published by NPS for preparing nominations? __ __

REVIEW GUIDE

Answers to questions 4d-4f will be based on information available from the Keeper of the National Register. Regions will convey the results to each State, and provide an opportunity for discussion during each State's biennial review.

The review team should consult with the National Register staff (WASO) to determine whether the number of the State's nominations within the defined review period met documentation requirements and the National Register criteria when initially submitted and reviewed by NPS. A nomination audit by the National Register staff will tally the percentage of adequate nominations reviewed before listing and nominations audited after listing.

At least 90 % of the nominations reviewed by the National Register staff must have been adequately documented and have met National Register criteria for listing on initial review for the State to meet minimum requirements. Nominations for which a State requested substantive review to resolve a policy issue, or to interpret the criteria or documentation standards generally will not be considered in this sample.

*g. Verification of End-of-Year Report Data

*1. Are the Outlay data accurate? __ __

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*2. Are the Effort data accurate? __ __

STATE:____________ DATE:________________

REQUIREMENT: National Register (Continued) YES NO

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*3. Are the Products data accurate that are used for apportionment purposes? __ __

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*4. Are non-apportionment Products data accurate? __ __

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*5. PERSONNEL: STAFF AND REVIEW BOARD THAT MEET PROFESSIONAL QUALIFICATIONS

*a. Does the State staff meet National Park Service professional qualifications and do these staff provide oversight for nomination functions? __ __

*b. Does the State Review Board meet National Park Service professional qualifications? __ __

REVIEW GUIDE

Refer to Requirements II and III ("Staff Qualifications and Composition" and "State Review Board Qualifications and Composition") as the basis for verification. The team should also check the organization of staff responsibilities to ensure that professional qualifications for review are being met.

STATE:____________ DATE: ________________

REQUIREMENT: National Register (Continued) YES NO

CONCLUSION: In order to meet the minimum criteria for the National Register requirement, the State must have satisfactorily met all verification inquiries.

Does the State satisfy the minimum approval criteria for this requirement? __ __

FINDINGS:

RECOMMENDATIONS:

STATE:__________________ DATE:_____________ REVIEWERS:__________________

REQUIREMENT: VIII. Review and Compliance

---

MINIMUM APPROVAL CRITERIA: The State program must cooperate with the Secretary, the Advisory Council on Historic Preservaton, other Federal agencies, local governments, organizations and individuals to ensure that historic properties are taken into consideration at all levels of planning and development.

SOURCE: National Historic Preservation Act, as ameneded

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| VERIFICATION: | YES | NO |
|---|---|---|
| *1. Does the SHPO conduct a functioning Review and Compliance program as required by the National Historic Preservation Act, as amended? | ___ | ___ |
| *a. Can the State document that it has carried out at least one activity in the Products section of each End-of-Year Report? | ___ | ___ |
| *b. Can the SHPO demonstrate that there is an actively functioning system that enables the State program to log, track, and process projects and written requests for technical assistance, including such information as date received, date action was taken, reviewer, nature of action, date transmitted, etc? | ___ | ___ |
| *c. Is the system in inquiry b (above) used to accurately track and report data for planning purposes and for Attachment A reporting? | ___ | ___ |
| *d. Does the SHPO have an expected turnaround time for review of documentation and processing of other requests from agencies? | ___ | ___ |

STATE:______________ DATE:______________

REQUIREMENT: Review and Compliance (Continued) YES NO

If yes, can the State demonstrate that the turn around time is being met on a consistent basis? ___ ___

2. Can the State program demonstrate that data and products generated as a result of Review and Compliance work (survey data, Determinations of Eligibility, HABS/HAER documentation, etc.) are systematically and rapidly integrated into the State's data base to prevent duplicative and/or inefficient searches, staff work, or delays? ___ ___

3. Is there a system that allows the State to determine if a particular document has been previously submitted for review; i.e., can the system avoid repeating reviews? ___ ___

4. a. Can the State office demonstrate that it makes an effort to accurately assess the need to provide technical assistance to government agencies on a broad programmatic basis and not solely project by project? ___ ___

   b. Is there evidence that this analysis is effectively used to determine the program's technical assistance and outreach objectives on an annual basis? ___ ___

   c. Is the State program implementing a technical assistance/outreach program to speed up the compliance process, e.g., forums, workshops, etc.? ___ ___

   *d. Has the State Office provided direct technical assistance to a minimum of one governmental agency in each of the categories listed below during the past fiscal year in an effort to streamline and increase understanding of the Review and Compliance process for:

STATE:____________ DATE: ________________

REQUIREMENT: Review and Compliance (Continued) YES NO

*1. State Government? __ __

*2. Local Government? __ __

5. Is the State Office implementing a technical assistance/outreach program to increase general public understanding of the Review and Compliance process? __ __

*6. Verification of End-of-Year Report Data

*a. Are the Outlay data accurate? __ __

### REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*b. Are the Effort data accurate? __ __

### REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*c. Are the Products data accurate that are used for apportionment purposes? __ __

### REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*d. Are non-apportionment Products data accurate? __ __

STATE:____________ DATE: ______________

REQUIREMENT: Review and Compliance ( Continued) YES NO

## REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

CONCLUSION: In order to meet the minimal approval criteria for this requirement, the State must satisfactorily meet verification inquiries 1, 4.d, and 6, and substantially meet the remaining inquiries as a whole.

Does the State satisfy the minimum approval criteria for this requirement? __ ___

FINDINGS:

RECOMMENDATIONS:

STATE:________________ DATE:____________ REVIEWERS:________________

REQUIREMENT: IX. Certification of Local Governments

---

MINIMUM APPROVAL CRITERIA: The State program must cooperate with local governments in the development of local historic preservation programs and assist local governments in becoming certified.

SOURCES: National Historic Preservation Act, as amended 36 CFR 61

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VERIFICATION: YES NO

*1. Has the State carried out the required action for all deadlines for obtaining an NPS approved procedure for certifying local governments? __ __

REVIEW GUIDE

Each State that has not received an exemption under 36 CFR 61.5(m) must have an NPS approved certification process in place prior to October 1, 1985. For State Program reviews conducted prior to October 1, 1985, the State must have submitted a process to NPS by November 12, 1984, and must have met all subsequent deadlines imposed by NPS, or have received an NPS waiver under 61.5 (m).

*2 Has the State carried out the required action for all deadlines for obtaining an NPS approved procedure for transferring HPF funds to certified local governments? __ __

STATE: ____________ DATE: __________________

REQUIREMENT: Certification of Local Governments (Continued)

YES NO

REVIEW GUIDE

Each State that has not received an exemption under 36 CFR 61.7(p) must have an NPS approved funds transfer process in place prior to October 1, 1985. For State Program reviews conducted prior to October 1, 1985, the State must have submitted a process to NPS by November 12, 1984, and must have met all subsequent deadlines imposed by NPS, or have received an NPS waiver under 61.7 (p).

IF THE STATE DOES NOT HAVE NPS APPROVED PROCESSES FOR CERTIFICATION AND FUNDS TRANSFER AND DID NOT HAVE SUCH PROCESSES DURING THE PERIOD UNDER REVIEW, PROCEED DIRECTLY TO THE CONCLUSION FOR THIS REQUIREMENT.

IF THE STATE RECEIVED EXEMPTIONS UNDER 36 CFR 61, PROCEED DIRECTLY TO THE CONCLUSION.

IF THERE ARE NO LOCAL GOVERNMENTS THAT ARE CERTIFIED OR WHOSE APPLICATION FOR CERTIFICATION ARE PENDING, SKIP QUESTIONS 6,7,8,9, AND 10.

*3. Is the State taking adequate steps to encourage local governments to become certified? ___ ___

REVIEW GUIDE

Ask the State to document what positive steps it has taken each year of the period being reviewed. This should include dissemination of the benefits of certification. NPS approval of a pass-through reprogramming request does not excuse States from encouraging the certification of local governments.

4. Is the State responding to requests for technical assistance from local governments wishing to become certified? ___ ___

5. Has the State widely publicized or circulated to all local governments the availability of CLG pass-through funds and its procedures for transfer of funds? ___ ___

STATE:____________ DATE:______________

REQUIREMENT: Certification of Local Governments (Continued)

| | YES | NO |
|---|---|---|
| *6. Is the State's annual notification of available CLG funding adequate? | ___ | ___ |

## REVIEW GUIDE

Check each notification made since the last State program review.

| | YES | NO |
|---|---|---|
| *a. Has there been a notification for each year for which there was funding available? | ___ | ___ |
| *b. Has the notification been made to each CLG and to all local governments whose application for certification is pending? | ___ | ___ |
| *c. Does the notification explain how to apply for funding? | ___ | ___ |
| *d. Does the notification explain what should be in the applications? | ___ | ___ |
| *e. Does the notification provide a reasonable time for submitting applications? | ___ | ___ |
| *f. Does the notification explain what the basis will be for choosing which applications will be funded? | ___ | ___ |

IF NO CLGs APPLIED FOR PASS-THROUGH FUNDING DURING THE PERIOD REVIEWED, SKIP QUESTION 7.

| | YES | NO |
|---|---|---|
| *7. Is the State's annual formula for apportioning pass-through funds to CLGs consistent with 36 CFR 61 and the approved State process? | ___ | ___ |

STATE:____________ DATE: ________________

REQUIREMENT: Certification of Local Governments (Continued)

YES NO

### REVIEW GUIDE

Examine each formula in effect since the last State program review.

*8. Is State administration of the Certification of Local Governments process consistent with State procedures approved by NPS? __ __

### REVIEW GUIDE

This can be determined by comparing State CLG files with NPS approved procedures. States must be enforcing minimum requirements as established in their own approved procedures for Certification of Local Governments in order for performance to be satisfactory. Ascertain exactly how the State monitors and reviews CLGs. Randomly select 4 CLGs; 2 that had no problems in the State review and 2 for which the State required further information or changes in procedures.

*a. Does the State's process produce sufficient information upon which to evaluate the performance of CLGs against State procedures and 36 CFR 61? __ __

*b. For each CLG examined is the State's evaluation a reasonable assessment of each CLG's performance? __ __

*c. Is the State responding to requests for technical assistance from CLGs? __ __

*9. Is State administration of its process for funds transferred to certified local governments consistent with State procedures approved by NPS? __ __

STATE: ____________ DATE: ________________

REQUIREMENT: Certification of Local Governments (Continued)

YES NO

### REVIEW GUIDE

This can be determined by comparing State CLG files with NPS approved funds transfer procedures. States must be enforcing minimum requirements as established in their own approved procedures for funds transfer in order for performance to be satisfactory.

*10. Is the State making available to CLGs adequate training and orientation? ___ ___

### REVIEW GUIDE

Document what orientation and training States make available to CLGs.

*a. Do CLGs have adequate notification of its availability? ___ ___

*b. Is the orientation and training sufficient to provide an adequate working knowledge of Federal, State, and local programs, processes, and techniques? ___ ___

*11. Does a system exist for accurately measuring the outlay, effort and products in the Local Government Certification/Pass-Through Program Area in Attachment A? ___ ___

*12. Verification of End-of-Year Report Data

*a. Are the Outlay data accurate? ___ ___

### REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

*b. Are the Effort data accurate? ___ ___

STATE:______________ DATE:______________

REQUIREMENT: Certification of Local Governments (Continued)

YES NO

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

c. Are the Products data accurate that are used for apportionment purposes? ___ ___

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

d. Are non-apportionment Products data accurate? ___ ___

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

CONCLUSION: In order to meet minimum criteria for the certification assistance to local governments requirement:

1. States with exemptions must meet inquiries 1 and 2.
2. States without exemptions but whose process has not been approved must meet inquiries 1, 2, 3, 11 and 12.
3. States without exemptions, having an approved process but which have no CLGs, must meet inquiries 1, 2, 3, 4, 5, 11 and 12.
4. States having CLGs, none of which applied for funding during the period under review, must meet all inquiries except 7 and 9.
5. All other States must meet all inquiries.

Does the State satisfy the minimum approval criteria for this requirement? ___ ___

STATE:____________ DATE: ______________

REQUIREMENT: Certification of Local Governments (Continued)

FINDINGS:

RECOMMENDATIONS:

STATE:____________________ DATE:_______________ REVIEWERS:____________________

PROGRAM ACTIVITY: X. Preservation Tax Incentives

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MIMIMUM APPROVAL CRITERIA: The State must provide for accurate and timely program management and reporting of program data to NPS. The criteria below are based on the document, "Criteria for Evaluating States for Expedited Review" (August 2, 1983). Compliance with inquiries 1, 5, 11, and 12 are the only mandatory requirements of State program reviews unless an unanticipated increase in applications makes it impossible to maintain the 30-day review period.

SOURCES:
36 CFR 67
36 CFR 61
"Criteria for Evaluating States for Expedited Review" (issued August 2, 1983 by NPS/WASO)

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| VERIFICATION: | YES | NO |
|---|---|---|
| *1. Does the State routinely provide comments on each application in accordance with 36 CFR 67.1? | __ | __ |

## REVIEW GUIDE

The review period covers the period since the publication of final tax regulations (April 11, 1984). If the State participates in the tax certification program, the review team should sample Regional Office files prior to the on-site visit to determine whether the State is routinely providing comments on applications.

STATE:__________ DATE: ______________

PROGRAM ACTIVITY: Preservation Tax Incentives (Continued)

YES NO

2. Has the State maintained staff with the professional qualifications of all personnel in charge of Part I and Part II reviews? ___ ___

## REVIEW GUIDE

Based on the information submitted in the "Staff Qualifications and Composition" (Requirement II) and through any additional data and information, a State must demonstrate that at least one staff member meets each of the requirements listed below and that such staff person directly reviews applications and/or is in direct day-to-day supervision of the review process.

For Part 1 review, the minimum staff requirements are:

a. basic 36 CFR 61 requirements for historian or architectural historian, and; ___ ___

b. a minimum of one year of direct experience in the preparation, processing and reviewing of National Register nominations and/or the review of Part 1 applications at the State level or for the National Park Service. ___ ___

For Part 2 review, the minimum staff requirements are:

a. basic 36 CFR 61 requirements for historical architect, architectural historian, or historian; and, ___ ___ STATE:____________ DATE:____________

PROGRAM ACTIVITY: Preservation Tax Incentives (Continued)

| | YES | NO |
|---|---|---|
| b. a knowledge of preservation technology, methodologies, building materials and their deterioration, and rehabilitation practices (as evidenced by training/education in preservation and rehabilitation techniques, experience in rehabilitation/restoration projects, knowledge of building trades and practices as shown in education or experience, membership in professional and/or trade organizations, etc.) | __ | __ |
| c. a minimum of two years direct experience in the review of Part 2 applications or Historic Preservation Fund Acquisition and Development project applications at the State level or for NPS. | __ | __ |
| 3. For the last completed fiscal year, do Regional files indicate that the State program's final decision recommendations with respect to Part I and Part II applications have been consistent with final decisions made by NPS; with a minimal 90% accuracy? | __ | __ |
| If the answer to the above is "no", what is the percentage of accuracy? ____% | | |
| 4. Do Regional files indicate that at least 90% of both Part 1 and Part 2 applications were sufficiently complete upon transmittal to the Regional office for NPS to make final decisions without requesting additional documentation? | __ | __ |

STATE:____________ DATE: __________________

PROGRAM ACTIVITY: Preservation Tax Incentives (Continued)

| | YES | NO |
|---|---|---|
| If the answer to the above is "no", what is the percentage of completeness? ____ % | | |

## REVIEW GUIDE

The review period covers the last completed fiscal year.

| | YES | NO |
|---|---|---|
| *5. For the last completed fiscal year, has the State satisfied the requirement for timeliness of reviews, as established in 36 CFR 67, at least 95% of the time? | __ | __ |
| If the answer to the above is "no", what percentage of applications were submitted to the Regional office within review times as established in 36 CFR 67? ____ % | | |
| 6. Has at least one qualified State program reviewer attended at least one workshop conducted by the NPS in the last completed fiscal year? | __ | __ |
| 7. Has the SHPO developed and implemented a precise, accurate and accountable system for logging, tracking, reviewing, and packaging tax projects under review in the office, and is the process consistent with NPS requirements? | __ | __ |
| 8. Does the same staff member review both Part 1 and Part 2 applications or, at a minimum, is there a demonstrated, working relationship between the Part 1 and Part 2 review? | __ | __ |

STATE: ____________ DATE: ________________

PROGRAM ACTIVITY: Preservation Tax Incentives (Continued)

YES NO

REVIEW GUIDE

The review team should seek to identify a close working relationship between the Part 1 and Part 2 review functions. State programs where these two review functions occur separately with little or no interaction should be identified.

9. Has the State program implemented a technical assistance/outreach program to disseminate information on tax incentives in such areas as: application procedures, rehabilitation issues, interpreting the Secretary's Standards for Rehabilitation, etc.? ___ ___

REVIEW GUIDE

The State should provide a listing of State-sponsored workshops, site inspections, new publications on tax incentives, published articles about the incentives, etc.

10. Has the State program implemented technical assistance that explains and promotes tax incentives, and that is specifically targeted to State and local governmental entities? ___ ___

*11. Is the State operating a system for accurately reporting Tax Incentives applications for outlay, effort, and products? ___ ___

*12. Verification of End-of-Year Report Data

*a. Are the Outlay data accurate? ___ ___

REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

STATE: ____________ DATE: ________________

PROGRAM ACTIVITY: Preservation Tax Incentives (Continued)

| | YES | NO |
|---|---|---|
| *b. Are the Effort data accurate? | ___ | ___ |

### REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

| | YES | NO |
|---|---|---|
| *c. Are Products data accurate that are used for apportionment purposes? | ___ | ___ |

### REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

| | YES | NO |
|---|---|---|
| *d. Are non-apportionment Products data accurate | ___ | ___ |

### REVIEW GUIDE

To answer this question, use the procedure described in Chapter 31, Section G.

CONCLUSION: In order to meet the minimum criteria for the preservation tax incentives activity for FY 1985/ 1986 State evaluations, a State must satisfactorily meet verification inquiries 1, 5, 11, and 12 and the remaining verification inquiries as a whole. Subsequent to Round II, all verification inquiries will have to be satisfactorily met.

| | YES | NO |
|---|---|---|
| Does the State satisfy the minimum approval criteria for this activity? | ___ | ___ |

STATE: ____________ DATE: ________________

PROGRAM ACTIVITY: Preservation Tax Incentives (Continued)

FINDINGS:

RECOMMENDATIONS:

STATE: ____________ DATE: ________________

## PROGRAM EVALUATION TALLY SHEET

| NHPA Requirements | Acceptable | Deficient |
|---|---|---|
| -- SHPO Designation .......... | _____ | _____ |
| -- Staff Qualifications/ Composition........... | _____ | _____ |
| -- State Review Board Qualifications/ Composition | _____ | _____ |
| -- HPF Grant Management...... | _____ | _____ |
| -- Comprehensive Historic Preservation Planning .. | _____ | _____ |
| -- Survey and Inventory....... | _____ | _____ |
| -- National Register.......... | _____ | _____ |
| -- Review and Compliance ..... | _____ | _____ |
| -- Certification of Local Governments ............. | _____ | _____ |
| -- Preservation Tax Incentives | _____ | _____ |

|  | Acceptable | Deficient |
|---|---|---|
| -- Public Participation | ______ | ______ |

Verification inquiries:

HPF Grant Management - E.9
National Register - 3e*

|  | Acceptable | Deficient |
|---|---|---|
| -- Public Education ....... | ______ | ______ |

Verification inquiries:

National Register - 3c*, 3e*
Review and Compliance - 5
Certification of Local Governments - 5
Preservation Tax Incentives - 9

|  | Acceptable | Deficient |
|---|---|---|
| -- Technical Assistance to Government Agencies ................ | ______ | ______ |

Verification inquiries:
Survey and Inventory - 1a, b, c
National Register - 3d*
Review and Compliance - 4a, 4b, 4c
Certification of Local Governments - 3*, 10*
Preservation Tax Incentives - 10

***************************************************************************

** A State must have satisfactorily addressed all verification inquiries that are asterisked (*) and the remainder as a whole to be approved for the Public Participation, Public Education and Technical Assistance to Government Agencies program requirements.

# GLOSSARY

Key:

In some cases terms have special meanings (different from the standard meaning) depending on the contexts in which they are used. Terms having special applications are identified by the following source related keys:

| | |
|---|---|
| (60.3) | 36 CFR 60; National Register Related |
| (61) | 36 CFR 61 |
| (67.2) | 36 CFR 67; Tax Related |
| (S&G) | Secretary's Standards and Guidelines |
| (OEP) | Terms relating to the Outlay, Effort, and Products data reported annually by the States in Attachment A. (Chapter 6.). |

**Abuse.** Violations of Departmental, bureau, or program regulations which impair the effective and efficient performance of mission responsibilities.

**Accessibility.** When viewed in its entirety, a program must be readily accessible to and usable by qualified persons. This does not mean that every existing facility or part thereof has to be made accessible (43 CFR 17.217 Subpart B). (See Chapter 10.)

**Accrued Expenditures.** The charges incurred by the grantee during a given period requiring the provision of funds for: (1) goods and other tangible property received; (2) services performed by the employees, contractors, subgrantees, and other payees; and (3) amounts becoming owed under projects for which no current services or performance are required.

**Acquisition.** The act or process of acquiring fee title, or interest other than fee title, of real property (including acquisition of development rights or remainder interest).

**Acquisition Cost of Purchased Nonexpendable Personal Property.** Net invoice unit price of a property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired.

**Acquisition Project.** A grant project which has for its purpose obtaining fee title or interest other than fee title of real property (including the acquisition of development rights or remainder interest).

**Act.** The National Historic Preservation Act of 1966, as amended, Public Law 89-665.

**Active.** (OEP) Pertaining to an item, report, project, subgrant, etc., that is in process during any part of the reporting period; e.g., an application for the preliminary certification of rehabilitation that has been received by the State but the recommendations for which have not yet been forwarded to NPS.

**Actual.** (OEP) As used in Attachment A, End-of-Year Report columns, Actual refers to the Outlay of funds (from all sources), the expenditure of Effort, and the creation of Products that occur during the fiscal year grant period.

**Administrative Costs.** (OEP) Those costs including budget formulation and execution, personnel management, and other overhead functions not specifically chargeable to a particular HPF-assisted activity. Administrative costs include indirect costs. (See Chapter 6 and Exhibit 7-B.)

**Advance by Treasury Check.** A payment made by a Treasury check to a grantee upon its request before disbursements are made by the grantee.

**Adverse Effect.** (OEP) The finding of a Section 106 review in which it is determined that the proposed Federal action will adversely affect historic properties. See 36 CFR 800 ff.

**Advisory Council.** The Advisory Council on Historic Preservation (ACHP), established under Section 201 ff of the Act.

**Allotment.** A distribution of apportioned funds by the National Park Service to authorized grantees.

**Allowable Cost.** Those eligible, reasonable, necessary, and allocable costs that are permitted under the appropriate Federal cost principles, in accordance with program policy, within the scope of the project and authorized for HPF participation.

**Amendment.** An official alteration of the project or program agreement which modifies the approved project or program agreement in a specified manner. (See Chapter 15.)

**Apportionment.** 1) A distribution by OMB to individual Federal agencies of amounts appropriated by Congress. The distribution is for specific time periods, activities, functions, programs, projects, or combinations thereof. 2) The distribution of Historic Preservation Fund monies made annually by the Secretary of the Interior to eligible grantees. (See **Allotment.**)

**Appraisal of Real Property.** A standardized procedure to establish the current fair market value of real property in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Appraisals must be performed by a certified professional real property appraiser to be acceptable to NPS. (See Chapters 6 and 21.)

**Appropriation.** The amount of funds (obligational authority) which Congress makes available yearly for the Historic Preservation Fund for purposes of the Act.

**Approval.** The signing by the Director or designated NPS official of a grant award and/or amendments thereto resulting in the obligation of a specified amount of Federal funds for a specific purpose.

**Approved State Program.** (61) A State historic preservation program that has been approved by the Secretary of the Interior in accordance with Section 101(b) of the National Historic Preservation Act, as amended. (This term should not be confused with **State Program Approval.**)

**Attachment A.** The form used in grant applications and the End-of-Year Report to record State Outlay, Effort, and Products in the program areas applicable to HPF eligible activities.

**Attachment B.** The form used in the End-of-Year Report to record the sources of nonfederal matching share.

**Audit.** A systematic review or assessment to determine and report whether: (1) financial operations are being properly conducted, (2) financial reports are being presented fairly, and (3) applicable laws and regulations are being complied with.

**Budget.** The financial plan for expenditure of all Federal and nonfederal funds for a project; developed by cost components in the grant application.

**Budget Period.** (OEP) 1) The interval of time into which a multi-year period of assistance is divided for budgetary and funding purposes. 2) The period specified in the grant agreement during which Federal funds are authorized to be expended, obligated, or legally committed by the grantee for the purposes specified in the grant agreement.

**Building.** (60.3) A structure created to shelter any form of human activity, such as a house, barn, church, hotel, or similar structure. Building may refer to a historically related complex such as a courthouse and jail or house and barn.

**Carryover.** Monies in excess of that needed for costs incurred during the grant period.

**Categorical Exclusion.** Also known as "Categorical" or "Programmatic No Effect," a categorical exclusion is a written agreement between the SHPO and a Federal agency which eliminates from review a group of actions unlikely to affect historic properties. Examples are address changes (FERC) or installing remote tellers in new banks. Categorical Exclusions can be distinugished from Programmatic Memoranda of Agreement (PMOAs) in the following way. PMOAs deal with a standard treatment of resources that will be impacted by a class of actions in multiple Federal projects. Categorical Exclusions do not deal with treatment at all, because they are determinations that the class of actions will not have an impact. A Categorical Exclusion can be viewed as a programmatic "Finding of No Effect."

Note: Categorical Exclusions need not be published in the Federal Register nor ratified by ACHP.

Also see Chapter 11 for categorical exclusions not requiring preparation of an environmental assessment for proposed HPF-supported actions.

**Certification.** A legally binding statement that certain requirements have been fulfilled. The penalty for false statements in certifications is prescribed in 18 U.S.C. 1001.

**Certification of State or Local Districts.** (OEP) The process of certifying that a district designated under a State or local statute meets substantially all of the requirements for the listing of districts in the National Register of Historic Places (see 36 CFR 67.2 and 67.9--formerly 36 CFR 1208.2 and 1208.9).

**Certified Historic Structure.** (67.2) A building (and its structural components) which is of a character subject to the allowance for depreciation provided in Section 167 of the Internal Revenue Code of 1954 which is either (a) individually listed in the National Register; or (b) located in a registered historic district and certified by the Secretary as being of historical significance to the district. Portions of larger buildings, such as single condominium apartment units, are not independently considered certified historic structures. Rowhouses, even with abutting or party walls, are considered as separate buildings. For purposes of the charitable contribution provisions only, a certified historic structure need not be depreciable to qualify, may be a structure other than a building, and may also be a remnant of a building such as a facade, if that is all that remains, and may include the land area on which it is located. For purposes of the demolition expense provisions and the 15 percent and 20 percent tax investment credits under the Economic Recovery Tax Act of 1981, any building located in a registered historic district is considered a certified historic structure; exemption from this provision can generally occur only if the Secretary has determined, prior to the demolition or rehabilitation of the building, that it is not of historical significance to the district.

**Certified Local Government (CLG).**(OEP) A local government that has been certified to carry out the purposes of the National Historic Preservation Act in accordance with Section 101(c) of the Act and 36 CFR 61.

**Certified Rehabilitation.** (67.2) The rehabilitation of a certified historic structure which the Secretary has certified as being consistent with the historic character of the structure and, where applicable, with the district in which the structure is located.

**Chief Elected Local Official.** 1. (61) The elected head of a local government. 2. (60.3) The mayor, county judge, county executive, or otherwise titled chief elected administrative official who is the elected head of the local political jurisdiction in which a property is located.

**Clearinghouse.** (OEP) An agency of State government designated by the Governor or created by State law for the purpose of reviewing and disseminating to other interested public agencies for review, notices of intent to apply for Federal grant assistance in accordance with Executive Order 12372.

**CLG Share.** (61) HPF grant funds authorized for transfer to local governments in accordance with Section 103(c) of the Act.

**Code of Federal Regulations (CFR).** A series published by the Federal Government which contains codification of the general and permanent rules published by agencies of the Federal Government.

**Cognizant Federal Agency.** The Federal agency responsible for auditing and approving cost allocation plans, indirect cost proposals, and other cost center proposals prepared by States and local governments under OMB Circulars A-87 and A-102. The Federal agency that provides the largest amount of funding to a State or locality is deemed to be the appropriate cognizant Federal agency.

**Competitive Negotiation.** A method of procurement used when the nature of services or products needed precludes development of a precise description or specification that will enable prospective suppliers to have an identical understanding of the requirement. Competitive negotiation is used when formal advertising is not appropriate.

**Completed Subgrants.** (OEP) Any subgrant to be completed prior to or during the current fiscal year whose covenant is in effect during the current fiscal year.

**Completion Date.** The date when all work under a grant award is completed or the date in the grant agreement, or any amendment thereto, on which NPS financial assistance ends (whichever comes first). Costs incurred by the grantee after this time may not be charged to the grant.

**Completion Report.** (OEP) See Chapters 6 and 25 of this Manual concerning Final Project Report.

**Comprehensive Historic Preservation Planning.** (61) An ongoing process that is consistent with technical standards issued by the Department of the Interior and which produces reliable, understandable, and up-to-date information for decisionmaking related to the identification, evaluation, and protection/treatment of historic resources.

**Comprehensive Statewide Historic Preservation Plan.** (61) The part of the planning process that conforms to the Secretary's Standards for Preservation Planning and is approved as part of the State Program Approval Process. The comprehensive plan entails the organization into a logical sequence of preservation information pertaining to identification, evaluation, registration, and treatment of historic properties, and setting priorities for accomplishing preservation activities.

**Conditional No Adverse Effect.** (OEP) The finding of a Section 106 review in which the SHPO determines that the project will not adversely affect properties, but only because of specified conditions which the Federal agency either proposes or agrees to. For example, it includes "no adverse effect" findings contingent upon the satisfactory recovery of data present in archeological properties.

**Conflict of Interest.** A conflict between one's obligation to the public good and one's self-interest.

**Considered Eligible.** (OEP) Those properties that both the SHPO and the Federal agency agree should be considered eligible for listing in the National Register of Historic Places, but have not been forwarded to NPS for a formal Determination of Eligibility. These are not Determinations of Eligibility. This category of review will not exist until 36 CFR 63.3 is suspended.

**Consultant.** An individual who is engaged to give professional advice or services, for a fee, but not as an employee of the party that engages him/her. The term includes paid guest lecturers (and other paid guest speakers) when not acting as employees of the party that engages them.

**Continuation Grant.** The Continuation Grant provides obligational authority to expend apportioned funds through the fiscal year following the year of apportionment and allows grantees to carry over unexpended funds from awarded subgrants and to set aside a reasonable amount of funds to maintain program operations and staff until the next year's appropriation and apportionment processes are completed. By closing out one fiscal year and providing a bridge to the next, the Continuation Grant provides an integrated grant application, accounting, and reporting system in keeping with the annual Federal appropriations system.

**Continuing Resolution Grant.** A grant awarded under a continuing resolution when congressional action on appropriations is not completed by the beginning of a fiscal year. A Continuing Resolution is legislation enacted to provide funding so that specific activities may continue operation until the regular appropriations are enacted. Continuing Resolution Grants are awarded by the Secretary of the Interior to prevent disruption during this period.

**Contract.** A written procurement agreement between the grantee (or its subgrantees) and another party (the contractor) obligating the grantee to pay for and the contractor to furnish property or services needed to accomplish the purposes of the grant. (A "subcontract" means a procurement subcontract under such a contract. For purposes of HPF grants, a contract is considered a subgrant.)

**Contributing Property (Resource).** A property or resource that has historical significance through location, design, setting, materials, workmanship, feeling, association, and adds to the sense of time and place and historical development in a historic property (i.e., National Register nomination or listing).

**Control Objective.** A desired goal for a specific event cycle that reduces the potential for fraud, waste, and abuse, or ensures the efficiency, effectiveness, and economy of operations within the event cycle.

**Control Technique.** A series of carefully constructed checks and balances that provide reasonable assurance that control objectives for each event cycle are met.

**Cost.** For purposes of HPF assistance, a cost is determined on a cash, accrual, or other basis acceptable to NPS as a discharge of the grantee's accountability for Federal funds.

**Cost Allocation Plan.** The documentation identifying, accumulating, and distributing allowable costs under grants and contracts together with the allocation methods used. This plan forms the basis for a percentage indirect cost rate proposal to be submitted to the cognizant Federal agency for approval. The plan must describe the services provided and relevance to the grants program, list the expenses to be charged to grants, and explain the method used to distribute costs.

**Cost Objective.** A cost pool, center, or area established for the accumulation of costs. These include organizational units, functions, objects, or items of expense, as well as ultimate cost objectives for specific grants, projects, contracts, and other activities.

**Cost-plus-a-percentage-of-cost Contract.** A cost-reimbursement contract whereby the contractor is reimbursed for costs plus a fixed percentage of costs. Its effect is to increase the profits of a contractor in proportion to the contractor's increased costs. Its use is prohibited by law (41 USC 254b and 10 USC 2306(a)) in Government contracting, and prohibited by OMB Circulars A-102 and A-110 in grantee or subgrantee contracting.

**Cost-reimbursement.** A contract that establishes an estimate of total costs for the purpose of committing funds and a ceiling that the contractor may not exceed (except at contractor risk) unless the awarding party agrees to amend the contract to provide additional funds. This kind of contract may also provide for a fixed dollar profit (usually not more than 10 percent) which may not be increased unless the contract is amended to increase the scope of work. The contract provides for payment of all allowable costs to the extent prescribed in the contract.

**Covenant.** A deed restriction limiting the owner's use of his/her property.

**Covered Employment.** Employment practices covered by Title VI and Section 504.

**Cultural Resource.** Any district, site, building, structure, or object significant in American history, architecture, archeology, engineering, or culture at the national, State, or local level.

**Cumulative Projection.**(OEP) In the HPF Grant Application, Attachment A, the sum of estimates (Outlay, Effort, and Products) for activities to be accomplished with all of the current Federal fiscal year's grant awards made to the State to date. By the end of the fiscal year, this will include all awards made to the State during the fiscal year including any Continuation Grants, Continuing Resolution Grants, "Regular" apportionments, etc.

**Curation.** The placement in a museum and subsequent care of artifacts and records associated with those archeological resources recovered with grant assistance.

**Current Fiscal Year.** (OEP) The Federal fiscal year to which an application pertains.

**Date of Completion.** See **Completion Date.**

**Deferral.** A Federal action to temporarily delay the obligational availability of appropriated funds. Deferrals may not extend beyond the end of the Federal fiscal year in which the deferral is proposed.

**Depreciation.** The systematic and rational allocation of the costs of equipment and buildings (having a useful life of more than 1 year) over their useful lives.

**Designation of SHPO.** The official written appointment by the Governor of an individual or specified agency head to administer the State historic preservation program in accordance with Section 101(b)(3) of the Act.

**Determination of Eligibility.**(60.3) A decision by the Department of the Interior that a district, site, building, structure, or object meets the criteria for evaluation although the property is not formally listed in the National Register of Historic Places. A determination of eligibility does not make the property eligible for such benefits as grants, loans, or tax incentives that have listing on the National Register as a prerequisite.

**Determinations of Eligibility (State review).** (OEP) All requests for comments on whether a property is eligible for listing in the National Register of Historic Places that are reviewed and commented upon by the SHPO and for which eligibility recommendations or decisions are forwarded to the National Park Service. This includes consensus determinations under 36 CFR 63.3.

**Development Project.** A project which has for its purpose the protection, stabilization, preservation, rehabilitation, restoration, or reconstruction of a historic property.

**Direct Cost.** Any cost that can be specifically identified with a particular project or program. Direct costs include, but are not limited to, salaries, travel, equipment, and supplies directly benefiting a particular project or activity.

**Disallowed Costs.** Those charges to a grant which the NPS determines to be unallowable.

**Disbursements.** Payments represented by valid invoices and documentation.

**District.** (60.3). A geographically definable area, urban or rural, possessing a signficant concentration, linkage, or continuity of sites, buildings, structures, or objects united by past events or aesthetically by plan or physical development. A district may also comprise individual elements separated geographically but linked by association or history.

**Donation.** Cash, land, material, or services provided to or by a subgrantee (or contractor) for incorporation in the project at no cost to the subgrantee.

**Duly Authorized Representative.** (67.2) A State or locality's Chief Elected Official or his or her representative who is authorized to apply for certification of State/local statutes and historic districts.

**Easement.** The right of one person to use the property or property rights (e.g., the right of access, the right to limit exterior alterations) of another for a stated term. The owner retains the major interest and can live in the property, will the property to another, or sell the property. Transfer of title does not affect the easement, which remains in effect for the stated term.

**Effective Date.** See Project Beginning Date.

**EISs (State Review).** (OEP) The substantive review of any Environmental Impact Statement (Preliminary, Draft, Final, etc.) promulgated by or on behalf of a Federal agency pursuant to the National Environmental Policy Act.

**Evaluation.** A process which permits a determination of whether a grantee or subgrantee is achieving defined program objectives.

**Evaluations of Significance.** (OEP) The evaluation of whether a particular structure qualifies as a certified historic structure pursuant to 36 CFR 67 (formerly 36 CFR 1208). This term includes both determinations of significance and determinations of non-significance (i.e., decertifications of significance).

**Event Cycle.** A series of related steps that constitute a distinct and separate process or activity within a component. These event cycles are common to most programs: planning, budgeting, execution, reporting, administration.

**Executive Order (E.O.) 11593.** Directs Federal agencies to inventory and nominate to the National Register cultural properties under their jurisdiction or control. E.O. 11593 requires Federal agencies to seek and to consider comment from the Advisory Council on Historic Preservation before implementing any proposed action affecting properties eligible for listing in the National Register of Historic Places. (See also 36 CFR 800.)

**Executive Order (E.O.) 12372.** This document establishes procedures for the cooperative implementation of proposed Federal assistance programs, Federal requirements for plans, and direct Federal development projects, through consultation which accommodates the concerns of the State and local elected officials. Replaces OMB Circular A-95. (See Chapter 4.)

**Expenditures.** All allowable disbursements chargeable to the approved budget plus the recorded dollar value of all unpaid invoices for materials received and services rendered, and all in-kind services and materials applied to the operation of projects. An expenditure is considered to have been made when legal liability passes from the grantee to the grantor.

**Extension of Time.** An NPS-approved amendment extending the end date of a project or grant period. (See Chapter 15.)

**FAADS. The Federal Assistance Awards Data System.** A computer-based, central collection of selected, uniform information on Federal assistance transactions. Such information includes the name and location of the recipient, amount of Federal funding, project description, and Federal program reported by geographic location.

**Feasibility Study.** A detailed physical investigation and analysis of a historic property conducted to determine the financial, technical, or economic advisability of a proposed project and/or alternative courses of action.

**Federal Assistance.** The term "Federal Assistance," (or "Federal Financial Assistance," "Federal Assistance Programs," or "Federally Assisted Program") means programs that provide assistance through grant or contractual agreements, and includes technical assistance programs or programs providing assistance in the form of loans, loan guarantees, or insurance.

**Federal Ownership or Control.**(60.3) Federal ownership or control for Federal nominations to the National Register means property for which a Federal agency holds fee simple title and other properties over which the Federal Government has jurisdiction, including those on the Outer Continental Shelf.

**Federal Preservation Officer.**(60.3) The official designated by the head of each Federal agency responsible for coordinating that agency's activities under the National Historic Preservation Act, as amended, and Executive Order 11593 including nominating properties under that agency's ownership or control to the National Register. The Federal Preservation Officer may delegate the authority to submit nominations to the National Register.

**Federally Recognized Indian Tribal Governments.** The governing body or governmental agency of any Indian tribe, band, nation, or other recognized group or community (including any native village as defined in Section 3 of the Alaska Native Claims Settlement Act, 43 U.S.C. 1701 et. seq.) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

**Fee Simple Acquisition.** Acquisition of absolute ownership without limitation or condition.

**Final Cost Objective.** A cost objective which has allocated to it both direct and indirect costs.

**Fiscal Year.** The Federal fiscal year; the 12-month period from October 1 through September 30.

**Flood Plain.** That area along waterways subject to periodic inundation.

**Force Account (or force account work).** The performance of a project with the forces and resources of the grantee or its State and local subgrantees or contractors, including personal services, equipment, and materials, rather than by contract with an outside organization or individual.

**Formal Advertising.** A competitive procurement method which is normally used when the nature of the product or service permits development of a precise description or adequate specifications so that prospective suppliers will be enabled to have an identical understanding of the requirement. Bids are solicited publicly through advertising and by issuing "Invitations for Bids." In response to the solicitation, "formal" sealed bids are submitted which are not subject to negotiation or change. The sealed bids are opened publicly on a specified date and are read aloud. A firm fixed-price contract is awarded to the responsible bidder (see definition) whose bid, conforming to the material terms and conditions of the invitation for bids, is lowest in price. Formal advertising is normally the required method of procurement for construction work.

**Fraud.** The intentional, wrongful obtaining of money or obtaining some unfair or dishonest advantage or benefit from Government programs. Fraud includes theft, embezzlement, false statements, illegal commissions, kickbacks, conspiracies, obtaining contracts through collusive arrangements, and similar activities.

**Fund.** The Historic Preservation Fund; the monies from the revenues accrued under the Outer Continental Shelf Lands Act, as amended.

**General Conditions for Construction Contracts.** Costs incurred by a general contractor for common elements to be used by other contractors or subcontractors. Included are, but not exclusively, temporary heat, power, lighting, water, sanitary facilities, scaffolding, elevators, walkways, railings, and office and storage space necessary for performance of contract work at the project site. (These items are distinct from "contingencies," which are unallowable.)

**General Conditions of Grant Award.** Legally binding provisions applicable to and part of all HPF grant agreements. (See Chapter 5.)

**Goal.** A timeless value statement that expresses the desired change that the grantee wants to accomplish and which serves as a guide for the grantee's planning and programming.

**Grant.** An award of financial assistance paid by the Federal Government under the National Historic Preservation Act, as amended, to carry out specific objectives for a specified period of time consistent with the terms of an approved budget and executed grant agreement. The term does not include any Federal procurements subject to the procurement regulations in 41 CFR, nor does it include technical assistance or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct congressional appropriations.

**Grant Agreement.** The written contractual agreement and any subsequently approved amendments between NPS and a grantee in which the terms and conditions governing the grant award are stated and agreed to by both parties, and which documents the obligation of Federal funds in the NPS accounting system.

**Grant Awarding Official.** The NPS official whose name/title appears on the Grant Agreement.

**Grant Budget.** The NPS-approved financial plan for use of both the Federal and nonfederal shares to carry out the purposes of the grant-assisted program and projects.

**Grant Beginning Date.** The NPS-approved date on which the grantee may begin to incur costs chargeable to the grant.

**Grant Closeout.** The process by which NPS determines that all applicable administrative actions and all required work of the grant have been completed by the grantee, and a Federal audit conducted.

**Grantee.** The term generally means the department or agency of State government, federally recognized Indian tribal government, or other direct recipient of HPF grant assistance from NPS. Primary recipients are States, as defined in the Act, and the National Trust for Historic Preservation. The organizational entity to which a grant is awarded is responsible and accountable to the Federal Government both for the use of the funds provided, including cash and noncash contributions applied in support of the grant, and for the performance of grant-supported programs, projects, or activities. The grantee is the entire legal entity even if a particular component is designated in the grant award document. (See **Subgrantees.**)

**Grant Period.** The period of time specified in the grant agreement during which costs may be charged against a grant.

**Grant Program.** The activities and operations of the States, the National Trust for Historic Preservation, and any other grantee assisted under the Act, which are necessary to carry out the purposes of the grant, including that portion of the program financed by the nonfederal share.

**Handicapped Person.** Any person who has a physical, mental, or sensory impairment which substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment as outlined in 43 CFR 17.202 Subpart B(j)(2)(i). With respect to employment, "Qualified handicapped person" means a handicapped person who, with reasonable accommodation, can perform the essential functions of the job in question (43 CFR 17.202 Subpart B(k)(1)).

**HCRS.** The Heritage Conservation and Recreation Service; the agency of the Department of the Interior that administered the HPF program from 1978 to 1981, after which the program was transferred back to NPS.

**Historic Context.** (S&G) A unit created for planning purposes that groups information about historic properties based on a shared theme, specific time period, and geographical area.

**Historic District.** (67.2). A geographically definable area, urban or rural, that possesses a significant concentration, linkage, or continuity of sites, buildings, structures, or objects united by past events or aesthetically by plan or physical development. A district may also comprise individual elements separated geographically but linked by association or history. See **Registered Historic District.**

**Historic Preservation.** The protection, rehabilitation, restoration, and reconstruction of districts, sites, buildings, structures, and objects significant in American history, architecture, archeology, engineering, or culture.

**Historic Preservation Fund (HPF).** (61) The source from which monies are appropriated to fund the program of matching grants-in-aid to the States (and other authorized grant recipients) for historic preservation programs, as authorized by Section 101(d)(1) of the National Historic Preservation Act, as amended.

**Historic Preservation Review Commission (Local Commission).** (61) A board, council, commission, or other similar collegial body which is established in accordance with 36 CFR 61.5 (c)(2).

**Historic Property.** (S&G) A district, site, building, structure, or object significant in American history, architecture, engineering, archeology, or culture at the national, State, or local level.

**Historic Structure Report.** The report required prior to development of a historic resource when the rehabilitation, restoration, or reconstruction work involves fabricating significant missing architectural or landscape features, recapturing the appearance of a property at one particular period of its history, or removing later additions.

**Independent Evaluation.** Evaluation performed for the grantee by an agent or agency other than the grantee.

**Indian Tribe.** See **Federally Recognized Indian Tribal Government.**

**Indirect Costs.** Costs that are incurred for common or joint objectives, and which therefore cannot be identified specifically with a particular project or program without effort disproportionate to the results achieved. These costs are allocated to the various classes of work in proportion to the benefit to each class. The cognizant Federal agency must approve a rate based on a cost allocation plan. (See Chapter 12.)

**Informational SF 424.** (OEP) A modified Standard Form 424 (Application for Federal Assistance), Project Notification that contains information necessary for NPS monitoring. These are not obligational documents; however, they must be submitted to NPS for review at least 20 days prior to the award of each subgrant. (See Chapter 6.)

**In-House.** (OEP) Refers to any HPF eligible activity conducted by SHPO staff rather than by outside contract or subgrant.

**In-Kind Contributions.** The value of noncash contributions provided by the grantee or third parties. In-kind contributions may consist of charges for nonexpendable personal property, and the value of goods and services directly benefiting and specifically identifiable to the grant program.

**Inspection.** (67.2) A visit by an authorized representative of the Secretary to a certified historic structure for the purposes of reviewing and evaluating the significance of the structure and the completed rehabilitation work. (The term is also used in relation to monitoring visits to grant-assisted properties or SHPO facilities.)

**Insular Areas.** The Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands. (Does not include Puerto Rico.)

**Integrity.** (S&G) The authenticity of a property's historic identity, evidenced by the survival of physical characteristics that existed during the property's historic or prehistoric period.

**Intensive Level of Survey.** 1. (OEP) Systematic, detailed field (and archival) inspection of an area designed to identify fully the architectural, archeological, and historic properties; and calculated to produce a level of documentation sufficient, without any further data, to evaluate National Register eligibility (and nominate if appropriate). 2. (S&G) Systematic, detailed examination of an area designed to gather information about historic properties sufficient to evaluate them against predetermined criteria of significance within specific historic contexts.

**Internal Operations** (referred to in Part III, Budget Form). (OEP) In-house activities that are tied directly to a Program Area other than **Administrative Costs.**

**Internal Control.** The plan of organization and methods and procedures adopted by management to provide reasonable assurance that obligations and costs are in compliance with applicable law; funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the assets.

**Internal Control Review.** A detailed examination of the system of internal controls to determine whether adequate control measures exist and are being utilized to detect, prevent, and deter fraud, waste, and abuse in a cost-effective manner.

**Inventory.** (S&G) A list of historic properties determined to meet specified criteria of significance.

**Invitation for Bids (IFB).** A set of documents which includes a description of the product or service desired and all other information needed to enable a prospective contractor to submit a bid. The invitation for bids is the specific term applied to the solicitation used in contracts involving Federal funds when the formal advertising procurement method is used.

**Keeper of the National Register of Historic Places (Keeper).** The individual to whom the authority has been delegated to list properties and determine their eligibility for the National Register. The Keeper may further delegate this authority as he or she deems appropriate.

**Letter of Credit.** An instrument certified by an authorized official of the Federal Government which authorizes a grantee to draw funds from the Treasury for immediate cash needs, in accordance with the provisions of Treasury Circular No. 1075.

**Liquidation of Cash Advance.** The reporting of the expenditure of funds, drawn as a cash advance from the U.S. Treasury, on the Report of Federal Cash Transactions (SF 272, OMB Form No. 80-R0182). An advance is not considered an expenditure until reported as liquidated. (See Chapter 24.)

**Lobbying.** Any activity designed to influence a Member of Congress to favor or oppose any legislation (including appropriation), whether before or after the introduction of any bill or resolution proposing such legislation. In accordance with 18 U.S.C. 1913, costs associated with lobbying efforts are unallowable as charges to HPF grants.

**Local Commission.** (61) See **Historic Preservation Review Commission.**

**Local Government.** (61) A city, county, parish, township, municipality or borough, or any other general purpose political subdivision of any State.

**Market Value.** As determined by competent appraisal or court decision, the highest price a property could reasonably be expected to bring if exposed for sale in the open market for a reasonable time, unaffected by grant assistance considerations, and taking into account all lawful uses to which such property is adapted and could reasonably be put.

**Matching Share (Nonfederal Share).** In general, matching share (or "cost sharing") represents that portion of total project or program costs not borne by the Federal Government and that is supplied by the grantee or other nonfederal third parties in cash, in-kind, or in services contributed.

**Memorandum of Agreement** (as it relates to Review and Compliance). (OEP) Any project specific or programmatic memorandum of agreement signed by the SHPO that is produced when a project triggers Section 106, or any proposal for such an agreement in which the SHPO concurs in writing (see 36 CFR 800 ff.; also see **Programmatic Memoranda of Agreement** and **Project Memoranda of Agreement.**

**Minimum Approval Criteria.** Basic standards by which the State program will be evaluated by NPS to determine whether Program Requirements have been satisfied. (See Chapter 30.)

**Minimum Level of Documentation.** (OEP) Information on the location, type, condition, and significance, or identification of research needed to determine the importance of a property, but which must be supplemented with information before the property could be submitted as a nomination to the National Register.

**Mitigation.** Any action which reduces or eliminates adverse impacts resulting from a proposed action. Mitigation may include project redesign or relocation, data recovery and documentation, etc. See 36 CFR 800.

**Monitoring.** A process whereby the programmatic and business management performance aspects of a grant are reviewed by means of the collection and assessment of information gathered from various reports, audits, site visits, and other sources.

**Multiple Resource Format Submission.** A Multiple Resource Format submission for nominating properties to the National Register is one which includes all or a defined portion of the cultural resources identified in a specified geographical area.

**Multi-Year Plan.** A compilation of long-range, result-oriented statements describing what the grantee proposes to achieve over a multi-year period. See **Planning Process.**

**National Park Service (NPS).**(61) The bureau of the Department of the Interior to which the Secretary of the Interior has delegated the authority and responsibility to administer the National Historic Preservation Program.

**National Register Criteria.** The established criteria for evaluating the eligibility of properties for inclusion in the National Register of Historic Places.

**National Register Level of Documentation.** (OEP) Information on a property that is sufficient, without further data, to submit the property as a nomination to the National Register of Historic Places.

**National Register Nomination Form.** (60.3) National Register Nomination Form means (1) National Register Nomination Form FHR 8-300, with accompanying continuation sheets (where necessary), Form FHR 8-300-A, maps and photographs or (2) for Federal nominations, Form No. 10-306, with continuation sheets (where necessary), Form No. 10-300-A, maps and photographs. Such nomination forms must be adequately documented and technically and professionally correct and sufficient. To meet these requirements, the forms and accompanying maps and photographs must be completed in accordance with the requirements and guidance in the NPS publication, "How to Complete National Register Forms" and other NPS technical publications on this subject. Descriptions and statements of significance must be prepared in accordance with standards generally accepted by academic historians, architectural historians, and archeologists. The nomination form is a legal document and reference for historical, architectural, and archeological data upon which the protections for listed and eligible properties are founded. The nominating authority certifies that the nomination is adequately documented and technically and professionally correct and sufficient upon nomination.

**National Register of Historic Places.** (61) The national list of districts, sites, buildings, structures, and objects significant in American history, architecture, archeology, engineering, or culture, maintained by the Secretary of the Interior under authority of Section 101(a)(1)(A) of the National Historic Preservation Act, as amended. (See also 36 CFR 60.)

**National Trust for Historic Preservation.** The private, nonprofit organization chartered by legislation approved by Congress on October 26, 1949 (63 Stat. 927), with the responsibility of encouraging public participation in the preservation of districts, structures, sites, buildings, and objects significant in American history and culture.

**Negotiated Procurement.** A procurement method, normally competitive, which is used when the nature of a product or service precludes the development of specifications or a precise description enabling all prospective suppliers to have an identical understanding of the requirement. Responses to solicitations (proposals) are not opened publicly; contents are generally not revealed prior to award; and they may be changed following evaluation, discussion, and negotiation.

**NEPA Process.** The process for the consideration of environmental impacts during project planning. This may include the preparation of an Environmental Assessment or Environmental Impact Statement, pursuant to the National Environmental Policy Act of 1969, as amended. (See Chapter 11.)

**Nepotism.** Patronage bestowed or favoritism shown on the basis of family relationship.

**No Adverse Effect.** (OEP) The finding of a Section 106 review in which it is determined that the proposed Federal project will not adversely affect properties located within the impact area of the project. (See 36 CFR 800 ff.)

**Noncompetitive Negotiation.** A negotiated procurement in which a proposal for goods or services is solicited from only one source. Only allowable in extraordinary circumstances; requires prior NPS written approval of sole source procurement. (See Chapter 17.)

**No Effect on Properties.** (OEP) The finding of a Section 106 review in which it is determined that there is no effect on properties that are or may be located within the impact area of the proposed project. (See 36 CFR 800 ff.)

**Nonexpendable Personal Property.** Tangible personal property (including equipment) having an expected useful life of more than 1 year and an acquisition cost of $300 or more per unit. Personal property is property of any kind except real property.

**Nonfederal Share.** See **Matching Share.**

**Nonprofit Organization.** For purposes of the HPF grant program, a nonprofit organization means any corporation, trust, foundation, agency, or other organization which (1) has been recognized by the Internal Revenue Service as being entitled to exemption under section 501(c)(3) of the Internal Revenue Code, or (2) is not organized for profit and no part of the net earnings of which inures, or will inure upon dissolution, to the benefit of any private shareholder or individual; Indian and Native American organizations other than federally recognized Indian tribal governments; and public hospitals and public institutions of higher education.

**No Properties in Impact Area.** (OEP) The finding of a Section 106 review that no properties meeting National Register eligibility criteria (or already listed on the National register) are located within the impact area of the project. (See 36 CFR 800 ff.)

**NPS.** The National Park Service of the Department of the Interior.

**Object.** (60.3) A material thing of functional, aesthetic, cultural, historical, or scientific value that may be, by nature or design, movable yet related to a specific setting or environment.

**Objective.** A specific, often measurable, statement of results that the grantee intends to accomplish in relation to an identified problem within a determined time period. Objectives should be consistent with goals and strategies for achieving desired change.

**Obligation.** For purposes of HPF grants, an obligation of funds is the NPS action in approving a grant application via a grant agreement or subsequent amendments for the period of time specified in the grant agreement and amendments to it.

**Obligational Authority.** The total amount of the Federal funds authorized for obligation which establishes the ceiling for obligation of Federal funds. This amount may include any unexpended funds (carryover) from prior apportionments.

**Office of Management and Budget.** Established in the Executive Office of the President to, among other things, assist the President in the formulation and administration of the Federal budget; to promulgate uniform standards and requirements (issued as Circulars) governing Federal grants.

**OMB Circular A-21.** This Circular establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. For purposes of HPF grants, these cost principles apply to third parties that are educational institutions receiving HPF grant funds through agreements with grantees or through direct grants from NPS.

**OMB Circular A-87.** This Circular establishes principles and standards for determining costs applicable to Federal grants and contracts with State and local governments. For purposes of HPF grants, these cost principles apply to third parties assisted by HPF grant funds, except as otherwise provided by NPS procedures. (See Chapter 12.)

**OMB Circular A-95.** See **Executive Order 12372**, which superseded OMB Circular A-95.

**OMB Circular A-102.** Promulgates the standards for establishing consistency and uniformity among Federal agencies in the administration of grants to State and local governments and federally recognized Indian Tribes. Applicable to the Historic Preservation Fund, the standards include the following topics, identified by lettered Attachment: A - Cash depositories, B - Bonding and insurance, C - Retention and custodial requirements for records, E - Program income, F - Matchng share, G - Standards for grantee financial management systems, H - Financial reporting requirements, I - Monitoring and reporting program performance, J - Grant payment requirements, K - Budget revision procedures, L - Grant closeout procedures, M - Standard forms for applying for Federal assistance, N - Property management standards, O - Procurement standards, and P - Audit Requirements.

**OMB Circular A-110.** Promulgates standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to, and other agreements with, public and private institutions of higher education, public and private hospitals, and other quasi-public and private nonprofit organizations. Grants to the National Trust for Historic Preservation are awarded in accordance with this Circular.

**Operating Costs.** The costs of staff and delivery of services for purposes defined in the Act, and proposed for assistance in the NPS-approved annual grant application, and performed under arrangement with the State agency which administers the HPF-assisted program in the State. Operating costs assist activities directly related to the accomplishment of Program Area activities described in Chapter 6, Section E. (Also see Exhibit 7-B.)

**Outlays.** The charges made to the HPF grant.

**Owner.** 1. For purposes of HPF grants, the term means a) an owner of a compensable interest in a property; or b) a person who holds fee title, a life estate, or a 99-year lease. 2. (67.2) For Preservation Tax Incentive purposes, "owner" means a person, partnership, corporation, or public agency holding a fee-simple interest in a building or any other person or entity recognized by the Internal Revenue Code for purposes of the applicable tax benefits. 3. (60.3) For National Register purposes, owner or owners means those individuals, partnerships, corporations, or public agencies holding fee simple title to property. The term owner or owners also means Indian tribes or members of Indian tribes who own beneficial title to Indian lands either held in trust by the United States or subject to a restriction against alienation imposed by the United States. Owner or owners does not include individuals, partnerships, corporations, or public agencies holding easements or less than fee interests in property of any nature, except for owners of Indian lands.

**Pass-Through Subgrant.** A subgrant to a Certified Local Government (CLG) required by Section 103(c) of the Act.

**Personal Property.** Property of any kind, tangible or intangible, except real property.

**Phase.** A logical, identifiable portion of a project, consisting of one or more elements of acquisition, development, or planning, specifically activated by an agreement and one or more subsequent amendments.

**Phased Project.** An incremental approach to work in which several distinct stages of work are proposed.

**Planning.** (OEP) Of or relating to establishing or updating a process, framework, programmatic agreement, or schedule that may be used to predict trends affecting (and impacts to) historic properties, and to guide resource management decisions and operations (e.g., RP3). This does not include internal fiscal planning.

**Planning Process.** The grantee's cycle of procedures and activities for determining its goals, priorities, strategies, programs and projects required to meet grant assisted objectives. Basic planning activities include identifying and analyzing needs; setting goals and objectives; determining strategies and objectives; assessing available resources; identifying programs to achieve the specified goals; selecting the combination of programs to be undertaken during the funding period; projecting activities into future years; analyzing and monitoring information; and integrating the results into the process.

**Plans and Specifications.** The detailed working drawings and technical specifications necessary to guide the construction, determine the scope of the work, and provide a firm basis for competitive bidding and contractual obligations.

**Political Subdivision.** A local unit of government, including specifically a county, parish, township, or municipal corporation created by or pursuant to State Law.

**Preagreement Costs.** Costs incurred prior to the NPS-approved grant beginning date stipulated in an HPF grant agreement and authorized by NPS in writing.

**Predevelopment Work.** The historical, architectural, and/or archeological research necessary to properly document proposed construction work on a historic structure or site performed prior to the commencement of development.

**Preservation.** 1. As used in the Act, preservation includes the identification, evaluation, recordation, documentation, curation, acquisition, protection, management, rehabilitation, restoration, stabilization, maintenance, and reconstruction of cultural resources. 2. (S&G) For the purposes of development of historic properties, the act or process of applying measures to sustain the existing form, integrity, and material of a building or structure, and the existing form and vegetative cover of a site. It may include initial stabilization work, where necessary, as well as ongoing maintenance of the historic building materials.

**Preservation Agreement.** An executed personal contract enforceable in a court of law that binds the owner of a property acquired or developed in part with funds authorized by the National Historic Preservation Act, as amended, to assume responsibility for maintenance and administration of the property for a period of time relative to the amount of HPF assistance provided, and to provide access for viewing and enjoyment by the public in accordance with the terms of the agreement.

**Prior Approval.** The written approval required from the authorized NPS official before certain activities may be undertaken, funds expended, or when cost of procurements exceed a certain dollar level.

**Procurement.** The acquisition of property or services, including construction (through purchase orders, contracts, leases, or other means) which are needed by NPS grantees or their subgrantees in carrying out projects under HPF grants. See Chapter 17.

**Procurement by Formal Advertising.** The procedure for selecting contractors and making contracts by means of competitive bids and awards solicited through public invitation for bids. This procedure is required by OMB Circular A-102, Attachment O, in all cases in which its use is at all feasible and practicable.

**Procurement by Negotiation.** The procedure for selecting contractors and making contracts without formal advertising but still conducted in a manner so as to provide maximum open and free competition. The conditions when negotiation may be used in lieu of formally advertising bids are in 41 CFR 1-3.

**Procurement by Small Purchase Procedures.** Those relatively simple and informal procurement methods that are sound and appropriate for a procurement of services, supplies, or other property, costing in the aggregate not more than $10,000. Grantees shall comply with State or local government small purchase dollar limits under $10,000. Price or rate quotations must be obtained from an adequate number of qualified sources to ensure competition. (See **Small Purchases.**)

**Professional Staff Requirements.** The minimum qualified staff required to administer the State's historic preservation program (see 36 CFR 61).

**Program.** The overall plan for the use of Federal funds which is intended to be put into effect by the grantee through functions, activities, services, projects, and processes. Section 101(d)(1) of the Act provides for grants to States: "The Secretary shall administer a program of matching grants-in-aid to the States for historic preservation programs, approved by the Secretary and having as their purpose the identification of historic properties and the preservation of properties included on the National Register." Section 101(b)(1) of the Act defines a State historic preservation program as one that (A) provides for the designation and appointment by the Governor of a "State Historic Preservation Officer" to administer such programs in accordance with Section 101(b)(3) of the Act and for the employment by such officer of such professionally qualified staff as may be necessary for such purposes; (B) provides for an adequate and qualified State Historic Preservation Review Board designated by the State Historic Preservation Officer unless otherwise specified by State law; and (C) provides for adequate public participation in the program, including the process of recommending properties for nomination to the National Register.

**Program Area.** Any of the broad categories of State activities reported upon in Attachment A.

**Program Income.** The proceeds from the sale, transfer, or disposition of real and personal property; royalties, patents and copyrights; the sale of publications; and permit fees realized from grant-assisted activities. Proceeds from the sale, transfer, or disposition of real and personal property shall be handled in accordance with the procedures of OMB Circular A-102, Attachment N.

**Programmatic Memoranda of Agreement (PMOAs).** (OEP) Written agreements between the SHPO, a Federal agency, and the Advisory Council on Historic Preservation involving a type of activity or resource. PMOAs are published in the Federal Register; deal with types of activities, rather than specific projects; may be initiated by either the SHPO or a Federal agency; are signed by the Federal agency representative and the SHPO and ratified by the Chairman of the Advisory Council on Historic Preservation (ACHP). See 36 CFR 800. PMOAs are counted when ratified by the ACHP.

**Program Requirement.** Elements taken from the Act, the Secretary's Standards, and grant award terms and conditions that are set forth in the Program Review Document. (See Chapter 30.)

**Project.** A project is any operation with the following elements: 1) a scheduled list of component activities, 2) a logical sequence or ordering of these activities, 3) a statement of the time required to perform each activity, and 4) an indication of activity costs in the case of resource allocation problems. For HPF grant purposes, a project is an organized activity carried out to reach a defined goal, usually under a subgrant with a specified **terminal point**. The term "project" also applies to any HPF-assisted activity **conducted** through subgrants/contracts and which require submission of a Project **Notification** ("Informational SF 424").

**Project Activity.** The smallest identifiable unit of work that in varying combinations constitutes the work to be performed as part of a project. An activity also refers to any portion of a project which consumes time and resources and has a specific starting and ending point.

**Project Agreement.** See **Grant Agreement.**

**Project Beginning Date.** The date the grantee may begin to incur costs chargeable to the project.

**Project Costs.** The sum of the allowable costs incurred by the grantee in accomplishing the objectives of a grant during the project period. This includes allowable and necessary in-kind contributions made by third parties.

**Project Memoranda of Agreement (MOA).** (OEP) Written agreements between the SHPO and a Federal agency and ratified by the Advisory Council on Historic Preservation involving a single Federal project/undertaking. See 36 CFR 800. Project MOAs are counted when ratified by the Advisory Council.

**Project (or Grant) Period.** The total time for which a project (or grant) has been approved for support with Federal funds and during which all work is to be accomplished.

**Property.** See **Historic Property**; **Real Property.**

**Property Type.** (S&G) A grouping of individual properties based on a set of shared physical or associative characteristics.

**Protection.** The act or process of applying measures designed to affect the physical condition of a property by defending or guarding it from deterioration, loss, or attack (S&G), or to cover or shield the property from danger or injury. In the case of buildings and structures, such treatment is generally of a temporary nature and anticipates future historic preservation treatment; in the case of archeological sites, the protective measure may be temporary or permanent.

**Public Benefit.** The access and other advantages enjoyed by the public under the terms of the Preservation Agreement or covenant to the deed of properties assisted by Historic Preservation Fund grants.

**Public Education.** The provision of information, techniques, processes, requirements, etc., concerning the elements of the National Historic Preservation Act and the State and local programs operated under its provisions.

**Public Participation.** The input of local citizens in the planning process leading to the formal funding application, including consideration of environmental and other possible effects. A public participation plan/program provides an opportunity for citizens to participate in the development of the application, provides citizens with adequate information concerning program purposes and funding requirements; provides for public meetings or hearings to obtain the views of citizens on the substance of the program; and provides an opportunity to submit comments.

**Purchase Price.** The cash price agreed upon as a consideration for which property is sold and purchased.

**Qualified State.** (67.2) A State which has agreed to participate in the certification program and which the Secretary has determined to meet established professional and review standards.

**Real Property.** Land, land improvements, structures, and appurtenances thereto, excluding movable machinery and equipment.

**Reconnaissance Level Survey.** 1. (OEP) Small-scale archival or field research, designed to provide a general impression of an area's architectural, archeological, and historical properties and their values, but not calculated to produce a level of documentation sufficient to determine a property's eligibility or to nominate a property to the National Register. 2. (S&G) An examination of all or part of an area accomplished in sufficient detail to make generalizations about the types and distributions of historic properties that may be present.

**Reconstruction.** The act or process of reproducing by new construction the exact form and detail of a vanished building, structure, or object, or a part thereof, as it appeared at a specific period of time.

**Records.** Documents of actions taken with respect to a grant, including financial records, performance records, and supporting documents.

**Regional Director.** The Director of an NPS Regional Office.

**Registered Historic District.** (67.2) Any district listed in the National Register or any district (a) which is designated under a State or local statute which has been certified by the Secretary as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of signficance to the district; and, (b) which is certified by the Secretary as meeting substantially all of the requirements for the listing of districts in the National Register.

**Regular Appropriation Grant.** A grant whose ultimate source is the Historic Preservation Fund portion of the annual Department of the Interior Appropriations Act.

**Rehabilitation.** The act or process of returning a property to a state of utility through repair or alteration which makes possible an efficient contemporary use while preserving those portions or features of the property which are significant to its historical, architectural, and cultural values.

**Reimbursement by Treasury Check.** Payment made to a grantee with a Treasury Check upon request for reimbursement, by submission of an SF 270, from the grantee.

**Remainder Interest.** A future possessory interest in real property given to a third party which matures upon the stated term for a fee.

**Reprogramming.** The deobligation and reobligation by NPS of previously obligated but unexpended funds. Reobligation of HPF monies is limited to the year of appropriation by Congress plus the following Federal fiscal year. Funds deobligated after that period revert to the U.S. Treasury. This term should not be confused with change of scope amendments. (See Chapter 15, Amendments.)

**Request for Proposal (RFP).** A set of documents which includes a sufficiently detailed description of the product or service desired to enable a prospective contractor to submit a proposal which includes information that procurement and technical personnel need to evaluate proposals submitted. The request for proposals is the specific term applied to the solicitation used in contracts involving Federal funds when negotiated procurement procedures are used.

**Rescission.** Legislatively approved cancellation of funds previously appropriated by Congress prior to the time when that authority would otherwise lapse. A rescission proposal transmitted to Congress must be approved by both Houses of Congress within 45 legislative days, or funds must be made available for obligation. (See Impoundment Control Act of 1974, P.L. 93-344, 31 U.S.C. 1400 et seq.)

**Research Design.** (S&G) A statement of proposed identification, documentation, investigation, or other treatment of a historic property that identifies the project's goals, methods, and techniques, expected results, and the relationship of the expected results to other proposed activities or treatments.

**Responsible Contractor (or responsible bidder).** A contractor or prospective contractor who appears to possess the ability to perform successfully under the terms and conditions of a proposed procurement based on a review of such factors as a satisfactory record of past performance, integrity, and business ethics; and financial and technical resources or access to such resources.

**Responsive Bid.** A bid or proposal which complies, with respect to method and timeliness of submission and to substance of the bid or proposal, in all material respects, with the requirements of the invitation for bids or request for proposal. A minor irregularity in a bid or proposal which is deemed a matter of form rather than substance, and the correction of which would not be prejudicial to other bidders, does not render a bid or proposal nonresponsive.

**Restoration.** The act or process of accurately recovering the form and details of a property and its setting as it appeared at a particular period of time by means of the removal of later work or by replacement of missing earlier work.

**Review Board.** Members of the State Review Board designated by the State Historic Preservation Officer, unless otherwise provided by State law, and who have at least the following duties; 1) Reviewing and approving each National Register nomination prior to forwarding to the National Register, 2) Reviewing State historic preservation planning documents prepared with Historic Preservation Fund assistance, 3) Providing general advice, guidance, and professional recommendations to the State Historic Preservation Officer in conducting the comprehensive statewide survey, preparing State historic preservation planning documents, and carrying out other duties and responsibilities established for the jurisdiction of the Review Board. (See Section 101(b)(1)(B) of the Act and 36 CFR 61.)

**Sample Survey.** (S&G) A survey of a representative sample of lands within a given area in order to generate or test predictions about the types and distributions of historic properties in the entire area.

**Scope Change.** Any revision requested by the grantee to the NPS approved objectives or work products to be achieved by a grant or subgrant during the grant or project period. (See Chapter 15.)

**Secretary.** The Secretary of the Interior (or his designee authorized to carry out the responsibilities of the Act).

**Secretary's Standards and Guidelines.** (61) The Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation which provide technical information about archeological and historic preservation activities and methods. The Standards and Guidelines are prepared under the authority of Section 101(f), (g), and (h), and Section 110 of the Act. The subjects covered in the Standards and Guidelines may include: Preservation Planning, Identification, Evaluation, Registration, Historic Research and Documentation, Architectural and Engineering Documentation, Archeological Investigation, Historic Preservation Projects, and Preservation Terminology. (See 36 CFR 68 for Secretary's Standards for Historic Preservation Projects regarding development of historic properties.)

**SHPO.** State Historic Preservation Officer.

**Site.** (60.3) The location of a significant event, a prehistoric or historic occupation or activity, or a building or structure, whether standing, ruined, or vanished, where the location itself maintains historical or archeological value regardless of the value of any existing structure.

**Small Purchases.** Purchases of services or supplies in which the aggregate amount in any one transaction, including handling and other costs, is $10,000 or less. Unless State or local laws require otherwise, bilateral agreements are normally not required, and purchase orders, vouchers or bills, sales slips, memoranda of oral price quotations, or similar records provide adequate documentation to meet Federal standards.

**Special Appropriation Grant.** A grant whose ultimate source is outside the Departmental Appropriations process and that usually has a specific congressionally imposed use (e.g., Emergency Jobs Act).

**Special Condition of Grant Award.** A legally binding stipulation placed by NPS on the award of HPF funds for a particular grant, project, or activity.

**Stabilization.** The act or process of applying measures designed to reestablish a weather-resistant enclosure and the structural stability of an unsafe or deteriorated property while maintaining the essential form as it exists at present.

**State.** (61) Any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territories of the Pacific Islands.

**State Historic Preservation Officer (SHPO).** The person designated by the Governor or Chief Executive Officer to act for the State in matters pertaining to the national historic preservation program.

**Statement of Differences in Appraised Value.** A statement from the SHPO detailing circumstances which may justify an acquisition cost in excess of the appraised market value. This justification may be accepted at NPS discretion.

**Statement of Objectives.** (S&G) See **Research Design.**

**State or Local Statute.** Law of the State or local government in this case designating or providing a method for the designation of a historical district or districts (see 36 CFR 67.2 and 67.8, formerly 36 CFR 1208.2 and 1208.8).

**State Plan.** The comprehensive statewide historic preservation plan required by the Act.

**State Program.** (61) The State historic preservation program in the State.

**State Program Approval Process.** The assessment performed by NPS pursuant to Section 101(b)(2) of the Act to determine if the State programs are in compliance with the Act, applicable regulations, and the terms and conditions of grant awards. (See Chapter 30.) (This term should not be confused with **Approved State Program.**)

**Structure.** (60.3) A work made up of interdependent and interrelated parts in a definite pattern of organization. Constructed by man, it is often an engineering project large in scale.

**Sub-agreement.** A written agreement between an HPF grantee and another party for the furnishing of services, supplies, or equipment necessary to complete the project for which a grant was awarded, including sub-contracts for personal and professional services and purchase orders.

**Subgrant.** An award of financial assistance made under a grant to an eligible subgrantee by a grantee. The term includes such financial assistance when provided by contracts between the grantee and third parties, but does not include procurements, nor does it include any form of assistance which is excluded in the definition of "grant".

**Subgrantee.** (61) The agency, institution, organization, other legal entity, or individual to which a subgrant is made by the State and which is accountable to the State for use of the funds provided. The subgrantee is the entire legal entity even if only one particular component of the entity is designated in the subgrant agreement.

**Substantial Impairment.** A permanent alteration that results in a significant loss of the integrity of finished materials, design quality, or special character.

**Substantive Review.** Substantive Review means that a National Register nomination is given a professional review concerning whether or not the nomination meets the National Register criteria for evaluation, as well as a technical review.

**Supporting Activities.** 1. The auxiliary functions necessary to sustain the direct effort involved in administering the HPF grant program or an activity providing service to the HPF grant program. These services may be centralized in the grantee department or some other agency, and include procurement, payroll, personnel functions, maintenance and operation of space, data processing, accounting, budgeting, auditing, mail, messenger service, and the like. 2. (OEP) The actions through which the State carries out its responsibilities (as delineated by the National Historic Preservation Act) and addresses needs and problems identified in the Program Overview. For purposes of completing the Program Overview, refer to specific actions that produce significant program results (i.e., of a scale or type that appear in Attachment A). This does not apply to the more detailed administrative or operational tasks performed in support of specific actions (e.g., use "survey of James County" instead of "mailing a scope of work for survey proposals").

**Survey and Inventory** (for purposes of 70/30 matching authority). (OEP) Section 102(a)(3) of the Act, as amended, authorizes the Secretary to provide 70 percent of the aggregate costs of "State or local historic surveys or inventories." See Chapter 3, Section D.5.a. for eligible activities for 70/30 funding.

**Suspension.** Action taken by NPS which temporarily withdraws the grantee's authority to utilize Federal financial assistance under the grant pending corrective action by the grantee as specified by NPS, or pending a decision by the NPS to terminate the grant. Suspension also limits incurring additional costs under the grant.

**Technical Assistance.** (OEP) Development of skills or the provision of knowledge of the background, meaning, operation, or implications of some aspect of the State or national preservation program. This refers to the SHPO staff providing assistance to anyone who is not a part of the SHPO staff; e.g., subgrantees, local governments, State or Federal agencies, the public, etc. Issuance of previously prepared material, by itself, does not constitute technical assistance; there must be some significant action added. For example, mass mailings of brochures, forms, or publications would not count as technical assistance, because they do not require an understanding of what was sent out. On the other hand, answering an inquiry on how to fill out a survey form or a detailed discussion on mortar analysis would constitute technical assistance. For subgrantees, assistance that strengthens their capacity to plan, implement, evaluate, and manage their subgrants would qualify as technical assistance as long as the assistance is substantive as described above.

**Termination.** The cancellation of Federal assistance, in whole or in part, under a grant or project at any time prior to the date of completion.

**Terms and Conditions of a Grant or Subgrant.** All requirements of the grant or subgrant imposed by the Federal Government whether under statute, regulations, the grant award document, or other documents. The terms of the grant award may include standard and special provisions, appearing on each Grant Agreement, that are considered necessary to obtain the objectives of the grant, facilitate post-award administration of the grant, conserve grant funds, or otherwise protect the Federal Government's interest.

**Thematic Group Format Submission.** (60.3) A Thematic Group Format submission for nominating properties to the National Register is one which includes a finite group of resources related to one another in a clearly distinguishable way. They may be related to a single historical person, event, or developmental force; of one building type or use, or designed by a single architect; of a single archeological site form, or related to a particular set of archeological research problems.

**Third Party.** Any organization legally distinct from the grantee (whether or not affiliated with the grantee) or any individual not employed by the grantee other than a consultant or volunteer acting directly under the grantee's direction or control.

**To Nominate.** (60.3) To nominate is to propose that a district, site, building, structure, or object be listed in the National Register of Historic Places or, where private owners object to listing, that the property be determined eligible by submitting a nomination form, with accompanying maps and photographs which adequately document the property and are technically and professionally correct and sufficient.

**Undertaking.** As used in the Act, the term means any action as described in Section 106. (See also 36 CFR 800.)

**Unexpended Balance.** The actual Federal funds awarded less unpaid amounts remaining at a given time during the funding or budget period.

**Unobligated Balance.** That portion of the funds authorized by NPS which has not been obligated by the grantee as shown according to NPS records; it is determined by deducting the cumulative obligations from the obligational authority apportioned to the grantee by the Secretary.

**Verification Inquiries.** Inquiries and statements which verify adequate State performance of the requirements and activities reviewed during the State Program Approval Process. (See Chapter 30.)

**Vulnerability Assessment.** A review of the susceptibility of a program or function to waste, loss, unauthorized use, or misappropriation.

**Waiver.** Where program accessibility cannot be achieved without causing a substantial impairment of significant features, a waiver of the program accessibility requirement may be granted by NPS. See Chapter 10.

**Waste.** Incurring unnecessary costs as a result of inefficient or ineffective practices, systems, or controls.

**Withholding Payments.** An action taken by NPS where a grantee is notified that until a deficiency is corrected payments will be withheld for previously incurred costs. Grantees are not restricted from incurring additional allowable costs, but suspension or termination of the grant may be subsequently imposed by NPS.

## ABBREVIATIONS

| | |
|---|---|
| BPA | Basic Program Allocation |
| CDBG | Community Development Block Grant |
| CETA | Comprehensive Employment and Training Act |
| CFR | Code of Federal Regulations |
| CLG | Certified Local Government |
| DOE | Determination of Eligibility |
| DOI | Department of the Interior |
| EEO | Equal Employment Opportunity |
| EO | Executive Order |
| EPA | Environmental Protection Agency |
| FAADS | Federal Assistance Awards Data System |
| FDIC | Federal Deposit Insurance Corporation |
| FY | Fiscal Year |
| HABS | Historic American Buildings Survey |
| HAER | Historic American Engineering Record |
| HPF | Historic Preservation Fund |
| IG | Inspector General |
| MBE | Minority Business Enterprise |
| MOA | Memorandum of Agreement |
| NCSHPO | National Conference of State Historic Preservation Officers |
| NPS | National Park Service |
| OEO | Office for Equal Opportunity |
| OFCCP | Office of Federal Contract Compliance Programs |
| OMB | Office of Management and Budget |
| RP3 | Resource Protection Planning Process |
| SGTR | Standardized Government Travel Regulations |

| | |
|---|---|
| SHPO | State Historic Preservation Officer |
| SPOC | Single Point of Contact |
| TDC | Total Direct Costs |
| UDAG | Urban Development Action Grant |
| USGS | United States Geological Survey |
| WASO | NPS Washington, D.C., Headquarters Office |

☆U.S. GOVERNMENT PRINTING OFFICE: 1985—488-058/42100

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*U.S. GOVERNMENT PRINTING OFFICE: 1985-467-166/20798

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